Synopsis of (National Agreement Article IV – Health and Welfare)
between Rail Labor Bargaining Coalition & National Carriers Conference Committee
Brotherhood of Locomotive Engineers & Trainmen

Expansion of Managed Care (MMCP) Networks which will provide in-network benefits and co-pays to employees who cannot obtain them today.

MMCP In-network availability for over 95% of all employees, up from 75% today

Changes to in-network co-pays to pay for network expansion as follows:
Visit to family doctor will increase from $15 to $20
Visit to specialist will increase from $15 to $35
ER visit (when not admitted as patient) will increase from $30 to $50

Prescription drugs co-pay:
Retail - $10 generic; $20 brand name; $30 non-formulary
Mail order - $20 generic; $30 brand name; $60 non-formulary

Employee cost-sharing payments will now be based on 15% of monthly premium (employees currently pay about 14.8% through employee contributions starting on January 1, 2007 to pay for enhanced network coverage.

Cost share adjustments will be made on January 1, 2008; January 1, 2009 and January 1, 2010.

"Effective January 1, 2010, the employees monthly cost-sharing contribution shall be adjusted to be the lesser of:

- 15% of the Carriers monthly payment rate for 2010, or
- $200 or January 1, 2009 employees' monthly cost-sharing contribution, whichever is greater."

For illustration listed below is an example of what the employees' monthly costsharing contribution could be based on the above referenced formula:

1) The January 1, 2009 employees' monthly cost-sharing contribution if $200 or more;
2) 15% of the Carrier monthly payment rate for 2010
3) $200

There will be no increase during the period unions and railroads bargain over next contract

Agreement between Rail Labor Bargaining Coalition & National Carriers Conference Committee
Brotherhood of Locomotive Engineers & Trainmen – (National Agreement)
ARTICLE IV - HEALTH AND WELFARE
Part A - Plan Changes

Section 1 - Continuation of Plans
The Railroad Employees National Health and Welfare Plan ("the Plan"), the Railroad Employees National Dental Plan ("the Dental Plan") , and the Railroad Employees National Vision Plan ("the Vision Plan"), modified as provided in this Article with respect to employees represented by the organization and their eligible dependents, will be continued subject to the provisions of the Railway Labor Act.

Section 2 – Plan Benefit Changes - MMCP
(a) The Plan's Managed Medical Care Program ("MMCP") will be offered to all employees in any geographic area where the MMCP is not currently offered and United Healthcare, Aetna, or Highmark BlueCross Blue Shield has a medical care network ("white space"). For purposes of this subsection, such "network" shall mean a "point-of-service" network in the case of United Healthcare and Aetna, and a preferred provider network in the case of Highmark BlueCross BlueShield. Employees who live in a white space may choose between coverage under MMCP or the Comprehensive Health Care Benefit, subject to subsection (b) below.
(b) The parties may, by mutual agreement and subject to such evaluation and conditions as they may deem appropriate, designate specific geographic areas within the white space as mandatory MMCP locations. Employees who live in mandatory MMCP locations shall not have a choice between CHCB and MMCP coverage, but shall be enrolled in the MMCP.
(c) United Healthcare and Aetna, respectively, shall apply
"nationwide market reciprocity" to employees and their dependents who are enrolled in MMCP. The term "nationwide market reciprocity" is intended to mean, by way of example, that a person enrolled in MMCP with UHC in market A is permitted to get in-network MMCP benefits from a UHC pointof-service network provider in market B.
(d) This Section shall become effective with respect to employees covered by this Agreement on July 1, 2007 or as soon thereafter as practicable.

Section 3 - Design Changes To Contain Costs
(a) The Plan's Managed Medical Care Program ("MMCP") shall be revised as follows:
(1) The Office Visit Co-Payment for In-Network Services shall be increased to $20.00 for each office visit to a provider in general practice or who specializes in pediatrics, obstetricsgynecology, family practice or internal medicine, and $35.00 for each office visit to any other provider;
(2) The Urgent Care Center Co-Payment for In-Network Services shall be increased to $25.00 for each visit;
(3) The Emergency Room Co-Payment for In-Network Services shall be increased to at least $50.00 for each visit, but if the care received meets the applicable Plan definition of an Emergency, the Plan will reimburse the employee for the full amount paid for such care, except for $25.00 if the visit does not result in hospital admission. For purposes of this Paragraph, the phrase "at least" shall be interpreted and applied consistent with practice under the Plan preceding the date of this Agreement;
(4) The Annual Deductible for Out-of-Network Services shall be increased to $300.00 per individual and $900.00 per family;
(5) The Annual Out-of-Pocket Maximum for Out-of-Network Services shall be increased to $2,000 per individual and $4,000 per family.
(b) The Plan's Comprehensive Health Care Benefit shall be revised as follows:
(1) The Annual Deductible shall be increased to $200.00 per individual and $400.00 per family;
(2) The Annual Out-of-Pocket Maximum shall be increased to $2,000 per individual and $4,000 per family.
(c) The Plan's Prescription Drug Card Program co-payments to In-Network Pharmacies per prescription are revised as follows:
(1) Generic Drug – increase to $10.00;
(2) Brand Name (Non-Generic) Drug On Program Administrator's Formulary – increase to $20.00;
(3) Brand Name (Non-Generic) Drug Not On Program Administrator's Formulary – increase to $30.00;
(4) Brand Name (Non-Generic) Drug on Program Administrator's Formulary that is not ordered by the

patient's physician by writing " ispense as ritten" on the prescription and there is an e uivalent eneric rug

increase to $20.00 plus the difference between the eneric rug and the rand Name (Non- eneric) rug;

(5) rand Name (Non- eneric) rug Not n Program dministrator's Formulary that is not ordered by the

patient's physician by writing "dispense as ritten" on the prescription and there is an e uivalent eneric rug increase to $30.00 plus the difference between the eneric rug and the rand Name (Non- eneric) rug.

(d) The Plan's Mail rder Prescription rug Program co-payments per prescription are revised as follows:

(1) eneric rug increase to $20.00;

(2) rand Name (Non- eneric) rug n Program dministrator's Formulary increase to $30.00;

(3) rand Name (Non- eneric) rug Not on Program dministrator's Formulary increase to $60.00.

(e) For purposes of the Plan, the term "children" as used in connection with determining "Eligible ependents" under the Plan, shall be defined as follows: "Children include:

- natural children,
- stepchildren,
- adopted children (including children placed with you for adoption), and
- your grandchildren, provided they have their legal residence with you and are dependent for care and support
- mainly upon you and wholly, in the aggregate, upon themselves, you, your spouse, scholarships and the like,
- and governmental disability benefits and the like."

(f) The definition of the term "children", as used in connection with determinations of "Eligible ependents" under the terms of the ental Plan and the Vision Plan, respectively, shall be revised as provided in subsection (e) above.

(g) lue Cross lue hield programs that are currently available under the Plan will be made available for selection by employees covered by this greement who choose coverage under the MMCP in all areas where the MMCP is made available under the Plan and throughout the nited tates for selection by such employees who choose coverage under the C C .

(h) The design changes contained in this ection shall become effective on July 1, 2007 or as soon thereafter as practicable.

Part B - Employee Sharing of Cost of H&W Plans

Section 1 – Monthly Employee Cost-Sharing Contributions

(a) Effective January 1, 2007, each employee covered by this greement shall contribute to the Plan, for each month that his employer is re uired to make a contribution to the Plan on his behalf for foreign-tooccupation health benefits coverage for himself and or his dependents, amonthly cost-sharing contribution in an amount e ual to 15% of the Carriers' Monthly Payment Rate for 2007.

(b) The employee monthly cost-sharing contribution amount shall be adjusted, effective January 1, 2008, so as to e ual 15% of the Carriers' Monthly Payment Rate for 2008 and, effective January 1, 2009, so as to e ual 15% of the Carriers' Monthly Payment Rate for 2009.

(c) Effective January 1, 2010, the employee monthly cost-sharing contribution amount shall be adjusted to be the lesser of:

(1) 15% of the Carrier's Monthly Payment Rate for 2010, or

(2) $200.00 or the January 1, 2009 employee monthly costsharing contribution amount, whichever is greater.

(d) For purposes of subsections (a) through (c) above, the "Carriers' Monthly Payment Rate" for any year shall mean the sum of what the carriers' monthly payments to

(1) the Plan for foreign-to-occupation employee and dependent health benefits, employee life insurance benefits and employee accidental death and dismemberment insurance benefits,

(2) the ental Plan for employee and dependent dental benefits, and

(3) the Vision Plan for employee and dependent vision benefits, would have been during that year, per non-hospital association road employee, in the absence of any employee contributions to such Plans.

(e) The Carriers' Monthly Payment Rate for 2007 has been determined to be $1,108.34 and the Employee Monthly Cost- haring Contribution mount for 2007 has been determined to be $166.25.

Section 2 - Pre-Tax Contributions
Employee cost-sharing contributions made pursuant to this Part shall be made on a pre-tax basis pursuant to the existing ection 125 cafeteria plan to the extent applicable.

Section 3 - Retroactive Contributions
Retroactive employee cost-sharing contributions payable for the period on and after January 1, 2007 shall be offset against any retroactive wage payments provided to the affected employee under rticle I, ections 1 and 2 of this greement, provided, however, there shall be no such offset for any month for which the affected employee was not obligated to make a costsharing contribution.

Section 4 – Prospective Contributions
For months subse uent to the retroactive period covered by ection 3, employee cost-sharing contributions will be made for the employee by the employee's employer. The employer shall deduct the amount of such employee contributions from the employee's wages and retain the amounts so deducted as reimbursement for the employee contributions that the employer had made for the employee.