



Brotherhood of Locomotive Engineers & Trainmen

International Brotherhood of Teamsters – Rail Conference Division

Union Pacific Railroad General Committees of Adjustment

Mike Young
Eastern District

Bruce Mac Arthur
Northern Region

Jim Dayton
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November 1, 2009

Mr. R. P. Guidry, General Director
UP Railroad Labor Relations
1400 Douglas Street Mail Stop 710
Omaha, NE 68179

T. M. Stone, General Director
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A. T. Olin, General Director
UP Labor Relations
1400 Douglas Street Mail Stop 710
Omaha, NE 68179

Dear Sirs:

RE: Health and Welfare Notice

In accordance with the provisions of the Railway Labor Act, as amended, and the existing agreements in effect on the Union Pacific Railroad Company, we hereby give notice that effective January 1, 2010, or as otherwise specified, we propose to revise and supplement said agreements governing health and welfare benefits for any and all of the Carrier's employees who are represented by the undersigned Brotherhood of Locomotive Engineers and Trainmen General Committees of Adjustment, in accordance with the proposal attached.

The undersigned GCAs are authorizing the BLET National Division to represent them in connection with negotiations over this proposal. The BLET National Division will contact you within ten days after your receipt of this notice to discuss a time and place at which the initial conference shall be held.

This notice is without prejudice to the continued application of all rights, privileges and benefits currently enjoyed by the employees represented by the organization under existing agreements and established customs and practices between the organization and the carrier until changed by mutual agreement. Service of this notice should not be considered as yielding any such rights, privileges or benefits that currently exist, or a concession by the Organization that addressing any topic(s) referred to in the notice is an acknowledgement by the employees that they do not already possess any or all of their existing rights, privileges and benefits involving those topics.

Be advised that we will be serving a separate joint notice upon you with regard to rates of pay, rules and other conditions of work as to which we intend to bargain locally with the carrier on the property.

Sincerely yours,

Michael Young

B. D. MacArthur

C. R. Rightnowar

Gil Gore

J. L. Dayton

D. W. Hannah

BLET HEALTH & WELFARE NOTICE

Railroad Employees National Health and Welfare Plan GA-23000

Eligibility

- (1) Provide extended benefit coverage to eligible dependents for one full calendar year following the death of a covered employee.
- (2) Provide extended coverage to furloughed employees for twelve (12) months following the month in which such employees last rendered compensated service or received vacation pay, provided the employer has transmitted at least three (3) monthly payments to the Plan on behalf of such employees prior to furlough. During such 12-month period, the furloughed employee shall be reported under “active” employee status.
- (3) Provide full Plan coverage to an employee who is suspended or dismissed from service, and to his eligible dependents, until final disposition of the matter under the *Railway Labor Act*. Until such final disposition, the employee shall be reported under “active” employee status.
- (4) Provide full Plan coverage to an employee who becomes disabled, and his dependents, until such time as the employee and/or spouse become eligible for Medicare and child dependents reach age 19 (age 25 if full-time student).
- (5) Eliminate the seven (7) calendar days per month eligibility requirement (the so-called “7-day rule”) for benefit coverage under the health and welfare, dental and vision plans.
- (6) Dependents of employees on active military status will be provided full coverage for the length of a standard tour of duty plus 6 months.
- (7) Extend full coverage for college students under age 25 for six months following their graduation date.
- (8) Provide full Plan coverage to opposite and same sex domestic partners, including such domestic partners not residing in common law states.
- (9) Extend full coverage to step-grandchildren residing with an employee; and any other children placed with the employee by court order.

Autism Spectrum Disorders

- (1) The Plan shall provide coverage for the diagnosis of autism spectrum disorders and for the treatment of autism spectrum disorders to the extent that the assessment, diagnosis and treatment of autism spectrum disorders are not already covered by the Plan.
- (2) Treatment for autism spectrum disorders shall include, but is not limited to, the care prescribed, provided, or ordered for an individual diagnosed with an autism spectrum disorder by (a) a physician licensed to practice medicine or (b) a certified, registered, or licensed health care professional with expertise in treating effects of autism spectrum disorders. Such coverage shall include but is not limited to: Applied Behavior Analysis Therapy, Speech Therapy, Social Skills Therapy, Occupational Therapy, and Physical

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Therapy, Psychological, Psychiatric, and Pharmaceutical Care, and Diagnosis and Assessments.

- (3) Coverage for autism shall not be subject to any maximum benefits, nor subject to any limits on the number of visits to a service provider.

Prescription Drug Benefit

- (1) Prescription drug co-pays shall be as follows:
 - Retail: generic – no co-pay; brand name -- \$5.00
 - Mail Order: generic – no co-pay; brand name \$10.00.

Coordination of Benefits

- (1) Increase Coordination of Benefits to allow reimbursement up to a maximum of 100% of allowable charges.

Lifetime Maximum

- (1) Increase lifetime maximum under CHCB and MMCP out-of-network to unlimited.

Reasonable and Customary Determinations

- (1) Increase the threshold for R&C determinations to the 95th percentile of data selected by the Plan.

Hearing Benefits

- (1) Provide an annual hearing benefit of \$4,000 for each covered person.
- (2) In addition to the \$4,000 benefit described in (1) above, provide hearing tests as a covered benefit when medically necessary to diagnose or treat illnesses *other than hearing loss*.

Birth Control/Reversal

- (1) Provide coverage under the plan for voluntary sterilization and/or reversal.

Employee Contributions

- (1) Eliminate any and all reference to required employee contributions as referred to in current National Agreement.

Employee Opt-Outs

- (1) Increase payments to employees who opt-out of Plan coverage from \$100 per month to \$250 per month.

Mobile Facilities

- (1) Amend the current Plan definition of a facility to include a mobile facility used by licensed physicians or other qualified medical personnel to deliver services to employees and their dependents billed under covered codes as directed by the American Medical Association or other governing bodies.

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Dependent Pregnancy

- (1) Provide full coverage for pregnancies of female dependent children.
- (2) Provide full coverage for new born children of female dependent children through age two.

Nutritional Supplements

- (1) Provide coverage for medically necessary nutritional supplements under the medical plan.

Speech Therapy

- (1) Eliminate the age restrictions and provide speech therapy for all eligible dependents.

Hospice Benefits

- (1) Increase the hospice benefits to reasonable and customary charges for each course of care.

Managed Medical Care Program (MMCP)

- (1) Reduce all co-payments under MMCP to \$5.00 per visit including emergency room.
- (2) Reduce all out-of-network penalties to 10%.
- (3) Reduce annual out-of-network, out-of-pocket maximums to \$500/individual and \$1,000/family.
- (4) Reduce the out-of-network deductibles to \$100/individual \$300/family
- (5) Eliminate out-of-network lifetime maximum benefit.
- (6) Provide out of network coverage for:
 - Immunizations and well-person physical benefits without annual caps to include annual routine physical exams, (including diagnostic testing and immunizations); well-woman visits (including breast examination and/or mammogram, pelvic examination and pap smear); child preventive care given in connection with routine pediatric care, (including immunizations for children as recommended by CDC).
 - Annual prostate cancer screening at no cost to the participant.
 - Annual influenza vaccinations at no cost to the participant.
 - Sigmoidoscopy or colonoscopy for participants over 40 years of age at no cost to the participant.
 - Other screening tests as recommended by the United States

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Preventive Disease Task Force at no cost to the participant.

- (7) Eliminate defined awarded markets and open all markets to allow choice of all three providers, Aetna, Highmark and UnitedHealthcare.
- (8) Cap the 20% non-notification penalty under the Care Coordination/Medical Management Program at an annual out-of-pocket maximum of \$1,000.
- (9) Provide for an annual out-of-pocket maximum of \$500 for chiropractic and physical therapy services.
- (10) If a participant's primary care physician, treating specialist or other provider, or preferred hospital or facility, terminates network participation with the insurance company providing service to the participant, allow the participant to elect coverage under one of the other insurance carrier(s) in that market anytime during the year.

Comprehensive Health Care Benefit (CHCB)

- (1) Provide uniform application of immunizations and well-person physical benefits provided under MMCP to CHCB without annual caps to include annual routine physical exams, (including diagnostic testing and immunizations); well-woman visits (including breast examination and/or mammogram, pelvic examination and pap smear); child preventive care given in connection with routine pediatric care, (including immunizations for children as recommended by CDC).
- (2) Provide 90/10 co-insurance under the CHCB plan.
- (3) Reduce the annual deductible to \$100/individual \$300 family.
- (4) Provide benefits comparable to MMCP for employees who do not live in MMCP network areas.
- (5) Reduce annual out-of-pocket maximums to \$500/individual and \$1,000/family.
- (6) Provide annual prostate cancer screening at no cost to the participant.
- (7) Provide annual influenza vaccinations at no cost to the participant.
- (8) Provide sigmoidoscopy or colonoscopy for participants over 40 years of age at no cost to the participant.
- (9) Provide other screening tests as recommended by the United States Preventative Disease Task Force at no cost to the participant.
- (10) Cap the 20% non-notification penalty under the Care Coordination/Medical Management Program at an annual out-of-pocket maximum of \$1,000.
- (11) Provide for an annual out-of-pocket maximum of \$500 for chiropractic and physical therapy services.

Managed Mental Health and Substance Abuse Benefit (MHSA)

- (1) Reduce all co-payments under MHSA to \$5.00 per visit including

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- emergency room.
- (2) Reduce all out-of-network penalties to 10%.
- (3) Amend the current requirement that Out-of-Network outpatient services be administered by a licensed psychologist to allow that such care may be administered by Masters level clinicians.
- (4) Eliminate lifetime maximum benefit for Mental Health services.
- (5) Cap the 50% non-notification penalty at an annual out-of-pocket maximum of \$1,000.

Life/AD&D Insurance

- (1) Increase Active Employee Life Insurance to \$50,000.00.
- (2) Increase Retired Employee Life Insurance to \$10,000.00.
- (3) AD&D - increase coverage to the following:

TABLE OF COVERED LOSSES AND BENEFIT AMOUNTS

| <u>COVERED LOSSES</u> | <u>BENEFIT AMOUNTS</u> |
|---|------------------------|
| Life | \$30,000 |
| A hand | \$8,000 |
| A foot | \$8,000 |
| Sight of an eye | \$8,000 |
| Loss of more than one of the above in any one accident | \$16,000 |
| Paralyzation | \$25,000 |

Loss of sight of an eye means that the eye is entirely blind and that no sight can be restored in that eye.

Loss of a hand means that all of the hand is cut-off at/or above the wrist.

Loss of a foot means that all of the foot is cut-off at/or above the ankle.

**Loss of a hand or foot shall also include the loss of use of a hand or foot even if the limb is still intact.*

Paralyzation means the loss of use of the extremities of the body as a result of an accident, such as, but not limited to paraplegia, quadriplegia, or hemiplegia occurring from a traumatic brain injury.

Not more than \$30,000 will be paid for all covered losses caused by all injuries which are sustained in one accident.

Railroad Employees National Dental Plan (GP12000-A)

Eligibility

- (1) Provide full Plan benefits to new employees and eligible dependents on the first day of the month following the month in which such employees render compensated service.
- (2) Provide full Plan coverage to an employee and eligible dependent who is suspended or dismissed from service until final disposition under the *Railway Labor Act*.

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- (3) Extend dental coverage for retirees and their eligible dependents until the employee reaches age 65.

Benefits

- (1) Eliminate the annual deductible.
- (2) Increase the annual maximum to \$15,000.00.
- (3) Increase Type B coverage to 100%.
- (4) Increase Type C coverage to 75%.
- (5) Increase orthodontia benefit to 90% with a maximum of \$8,000.00.
- (6) Provide orthodontia coverage to all employees and covered dependents regardless of age.
- (7) Eliminate the alternate treatment provisions of the Plan.

Railroad Employees National Vision Plan

Network -

- (1) Provide full Plan benefits to new employees and eligible dependents on the first day of the month following the month in which such employees render compensated service.

In-Network Benefits -

- (1) Increase the frame allowance to \$400.
- (2) Provide full coverage for the following options:
 - Scratch Coating
 - UV Protection
 - Anti-Reflective Coating
 - Photochromic Lenses
 - Progressive Lenses
- (3) Increase allowance for contact lenses to \$400 annually.
- (4) Add laser surgery benefit. Provide full coverage for laser surgery to correct vision in one or both eyes.
- (5) Eliminate lens exclusions for oversized lenses.

Hospital Associations

- (1) Hospital Association benefits will continue to be set by the individual Hospital Association.
- (2) Enable Hospital Associations to increase member dues at a rate equal to the increase in cost-sharing payments, without increasing the total cost-sharing amount paid by Hospital Association members.
- (3) Amend the "Dues Offset Formula" to provide that Hospital Association dues offsets will be increased by the same percentage that Plan costs increase for a given year. Thereafter, adjustments, if any, shall be made annually on January 1st of each subsequent year.

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- (4) The so-called Apick-up and/or runout liability fees@ for any employees (or dependents, if applicable) transferring from Hospital Association Railroads to Non-Hospital Association Railroads and/or transferred from Non-Hospital Association Railroad to hospital Association Railroads will be borne by the Railroads.
- (5) Disabled or Retired Hospital Association members whose coverage is disrupted for any reason other than non-payment of Association dues will be allowed to enroll in the Railroad Employees National Early Retirement Major Medical Benefit Plan (GA-46000) without penalty provided they would have met the eligibility requirements at the time they retired.
- (6) Treat Dependent Spouses covered as Employees under a Hospital Association Plan the same as two married railroad employees covered under the Plan who are not covered under a Hospital Association Plan.
- (7) Provide Hospital Association dependents the choice to select their coverage from a Hospital Association or from one of the national plan carriers.

COST CONTAINMENT MEASURES

- (1) Waive copays when an employee is referred by the Nurse Helpline to seek treatment from the emergency room.
- (2) Increase the day's supply of medication at retail pharmacies to 30 days and impose a limitation of two (2) refills thereafter.

NATIONAL HEALTH LEGISLATION

In the event that national health legislation should be enacted, benefits provided under The Railroad Employees National Health and Welfare Plan, The Railroad Employees National Early Retirement Major Medical Benefit Plan, The Railroad Employees National Dental Plan and The Railroad Employees National Vision Plan with respect to a type of expense which is a covered expense under such legislation will be integrated so as to avoid duplication, and the parties will agree upon the disposition of any resulting savings.

GENERAL

- (1) The JPC shall be joint policyholders and will jointly participate in the selection of the insurance company or companies or other administrators required to administer all benefit Plans covering employees subject to this Agreement, shall jointly determine the plan benefits needed to meet the changing needs of the employees and otherwise jointly administer all of the Plans' activities. The Joint Plan Committee shall oversee and administer the Railroad Employees National Health and Welfare Plan, the Railroad Employees National Early Retirement Major Medical Benefit Plan, the Railroad Employees National Dental Plan, the Railroad Employees National Vision Care Plan, the various plans established to provide supplemental

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sickness benefits to covered employees and any and all plans which may hereafter be developed or introduced to provide health and welfare benefits to active and retired employees and their eligible dependents.

- (2) Eliminate the exclusion of benefits for treatment by a family member who is otherwise a qualified provider, from any and all plans containing such exclusion.