



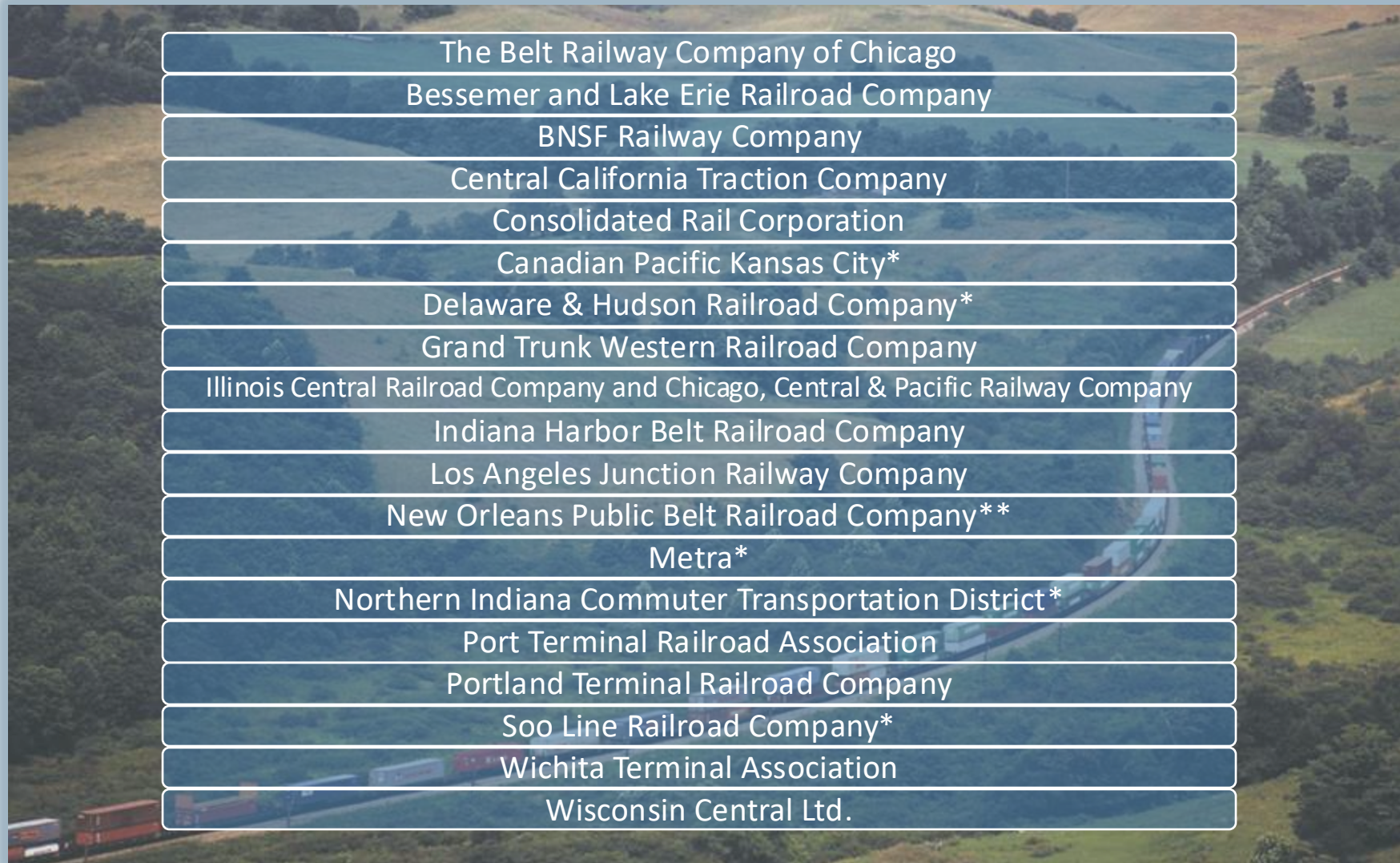
2025 BARGAINING ROUND: NCCC & BMWED

DECEMBER 17, 2024

AGENDA

- Introductions
- Participating Railroads
- Pattern Agreement Terms and Carriers' Proposal

PARTICIPATING RAILROADS



The Belt Railway Company of Chicago
Bessemer and Lake Erie Railroad Company
BNSF Railway Company
Central California Traction Company
Consolidated Rail Corporation
Canadian Pacific Kansas City*
Delaware & Hudson Railroad Company*
Grand Trunk Western Railroad Company
Illinois Central Railroad Company and Chicago, Central & Pacific Railway Company
Indiana Harbor Belt Railroad Company
Los Angeles Junction Railway Company
New Orleans Public Belt Railroad Company**
Metra*
Northern Indiana Commuter Transportation District*
Port Terminal Railroad Association
Portland Terminal Railroad Company
Soo Line Railroad Company*
Wichita Terminal Association
Wisconsin Central Ltd.

*Health and Welfare only

*Wages and Health and Welfare Only

RECENT AGREEMENTS SET A PATTERN FOR NATIONAL BARGAINING

47

Local Pattern TAs
which include:

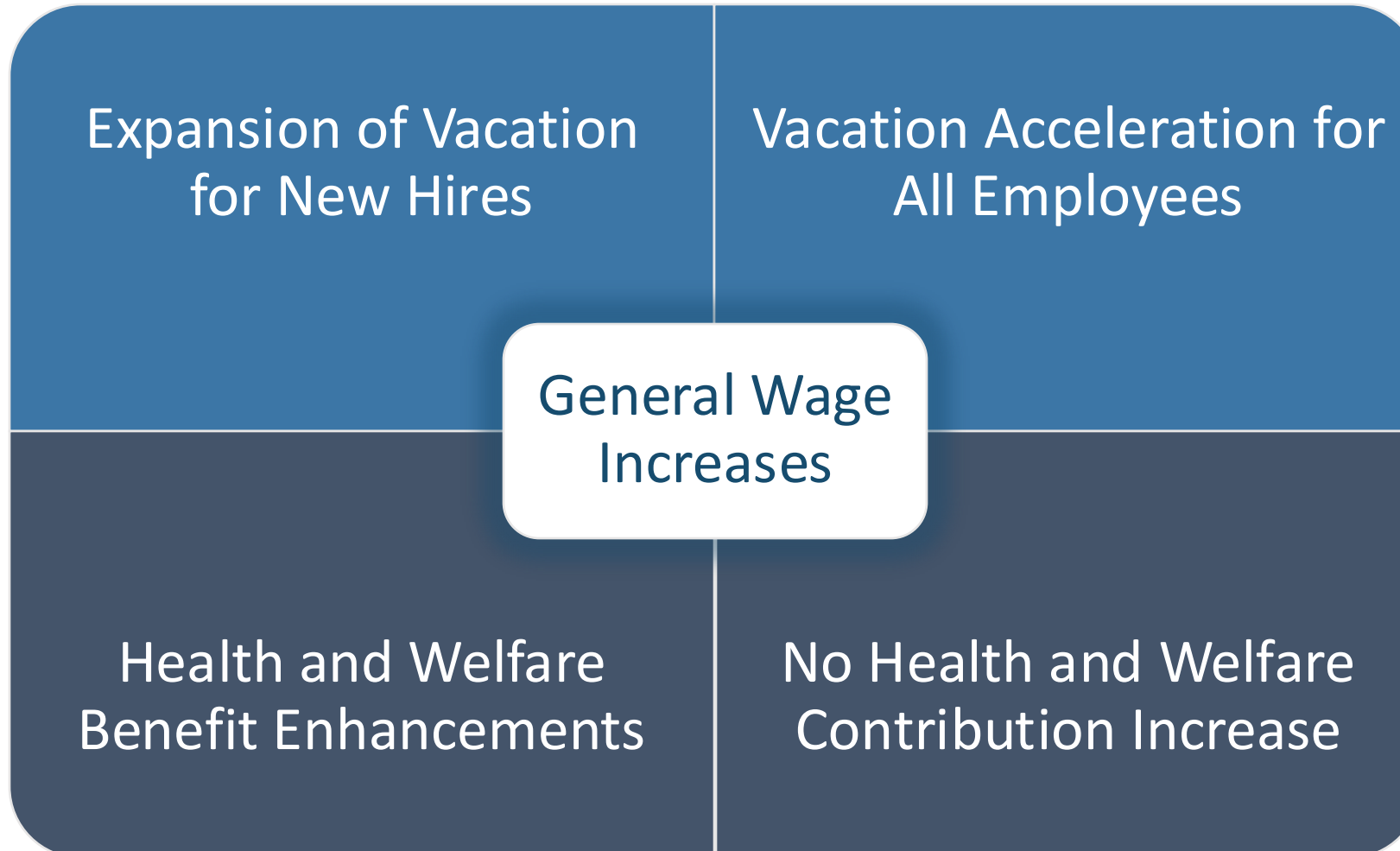
3 ratified BMWED pattern TAs
1 pending BMWED pattern TA

5

National Pattern TAs

CARRIERS' PROPOSAL

Promptly adopt an agreement consistent with the existing pattern terms



PATTERN GWIS DELIVER REAL WAGE GROWTH DURING AGREEMENT TERM

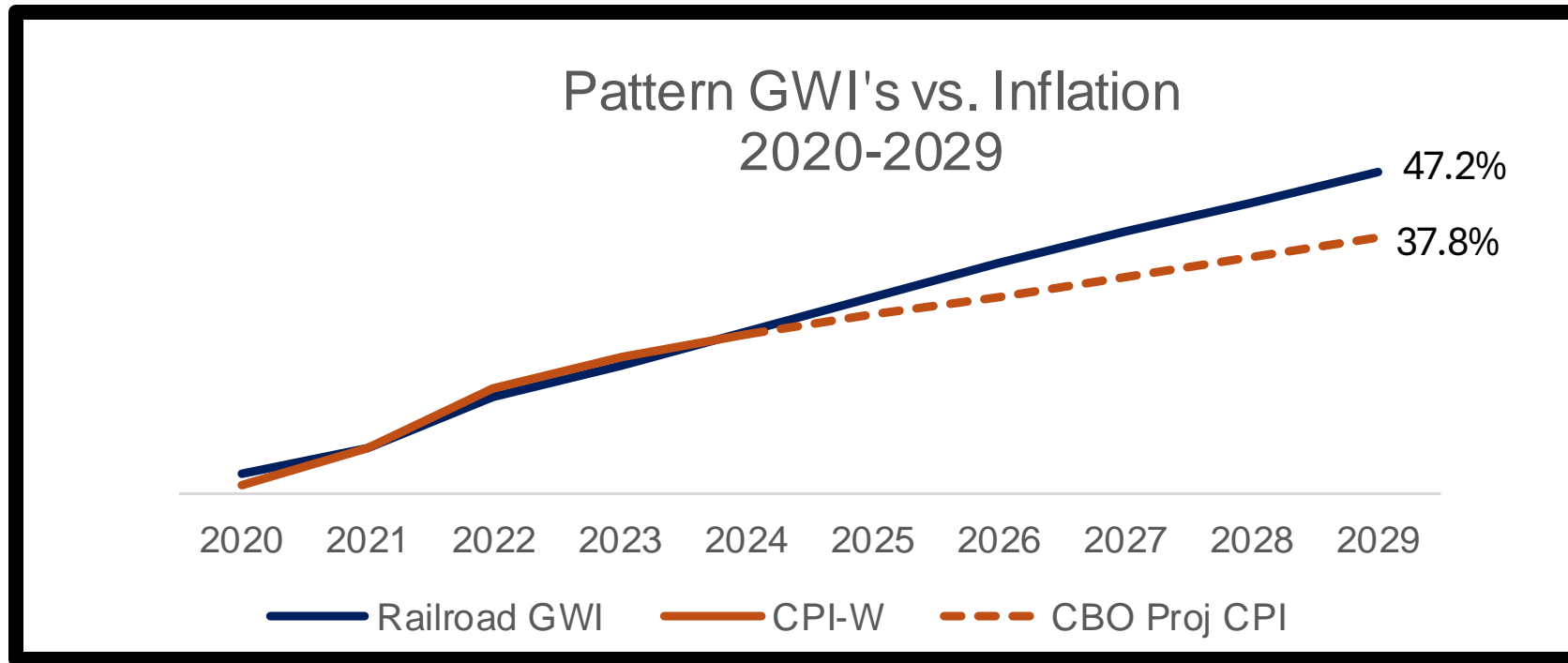


18.8%
Compounded

	2025	2026	2027	2028	2029	Compounded
Pattern GWI	4.00%	3.75%	3.50%	3.25%	3.00%	18.8%
CBO Projected CPI	2.4%	2.2%	2.2%	2.2%	2.2%	11.7%
GWl Above Projected CPI (pts.)	1.6	1.55	1.3	1.05	0.8	7.1

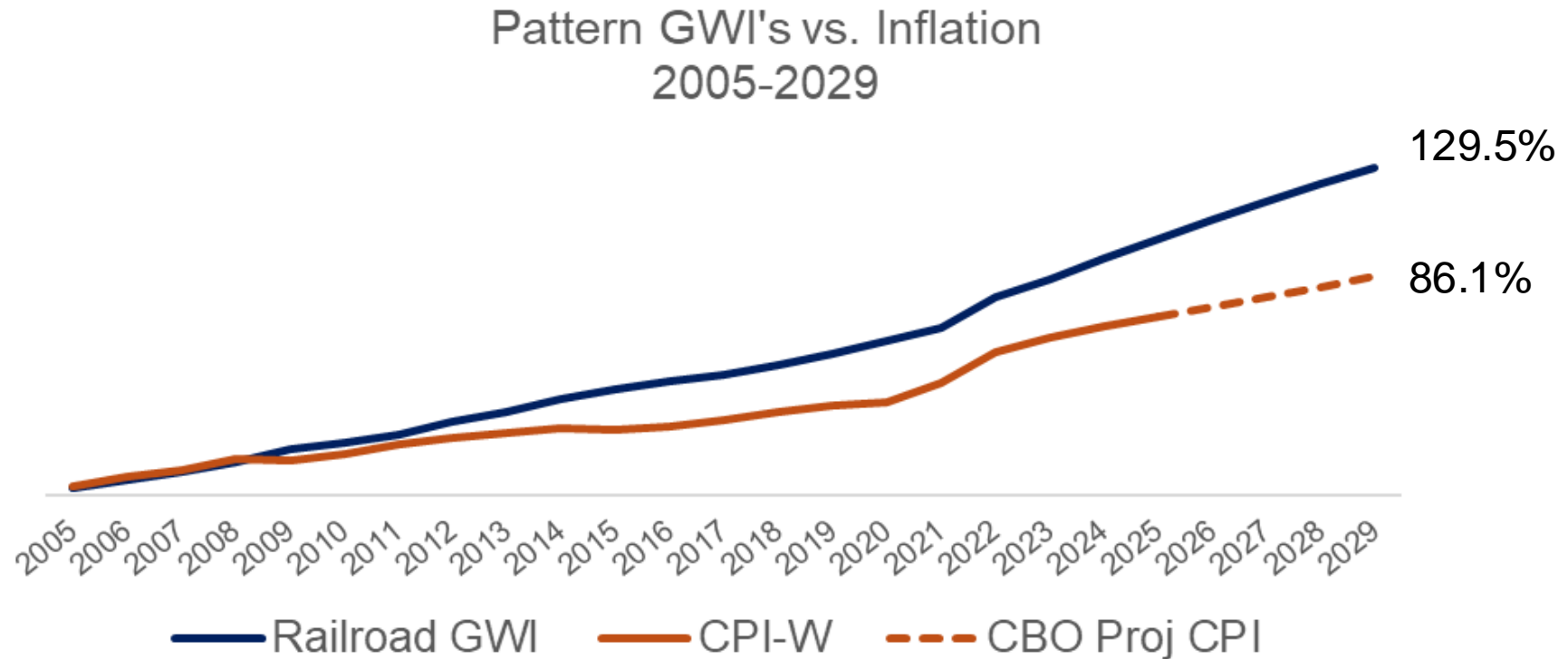
PATTERN GWIS EXPECTED TO EXCEED INFLATION

Even when COVID-era inflation is considered, rail worker pay from 2020-2029 is expected to significantly exceed inflation:

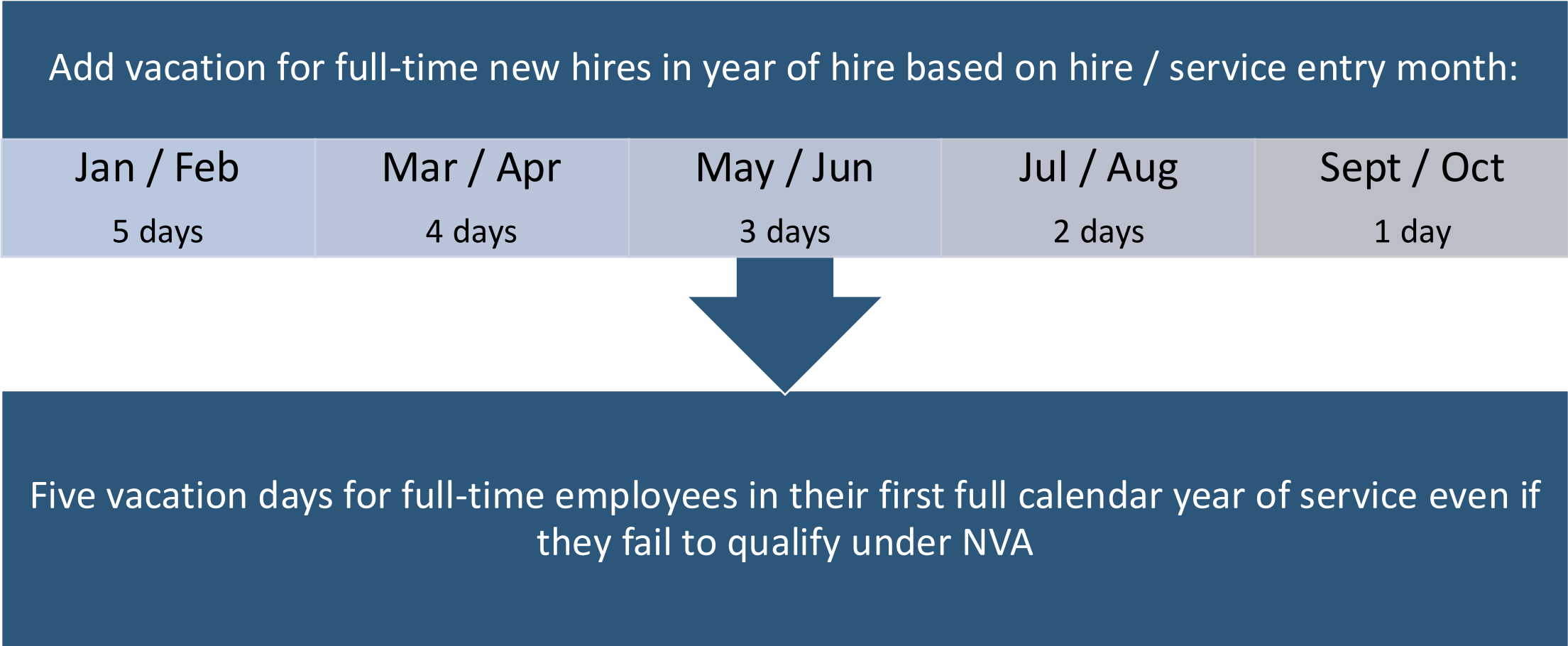


RAILROAD GWIS ARE HIGHER THAN INFLATION

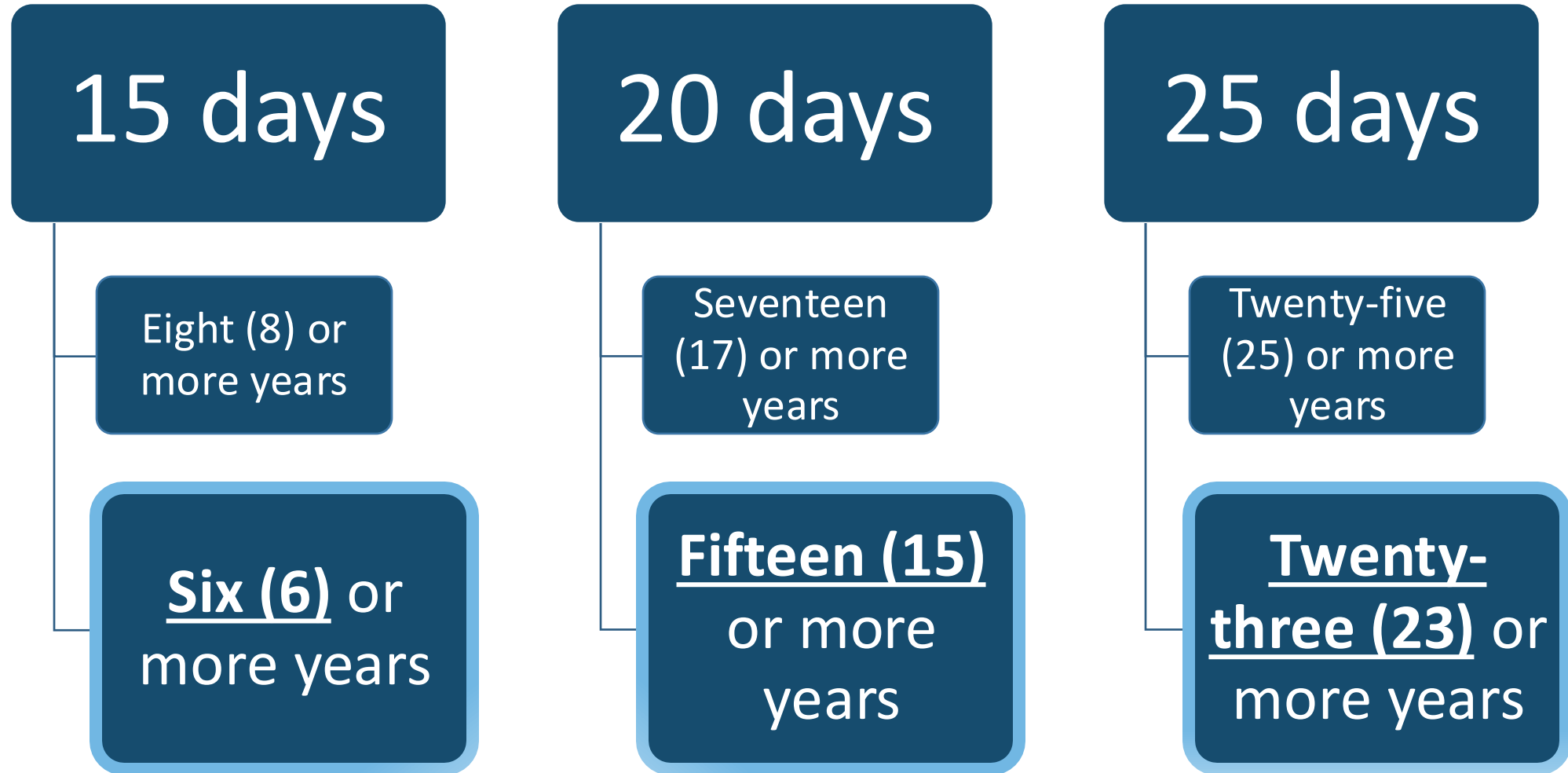
Total wage growth over the last five bargaining rounds has been significantly higher than inflation. This includes the pattern agreement



EXPANSION OF VACATION FOR NEW HIRES

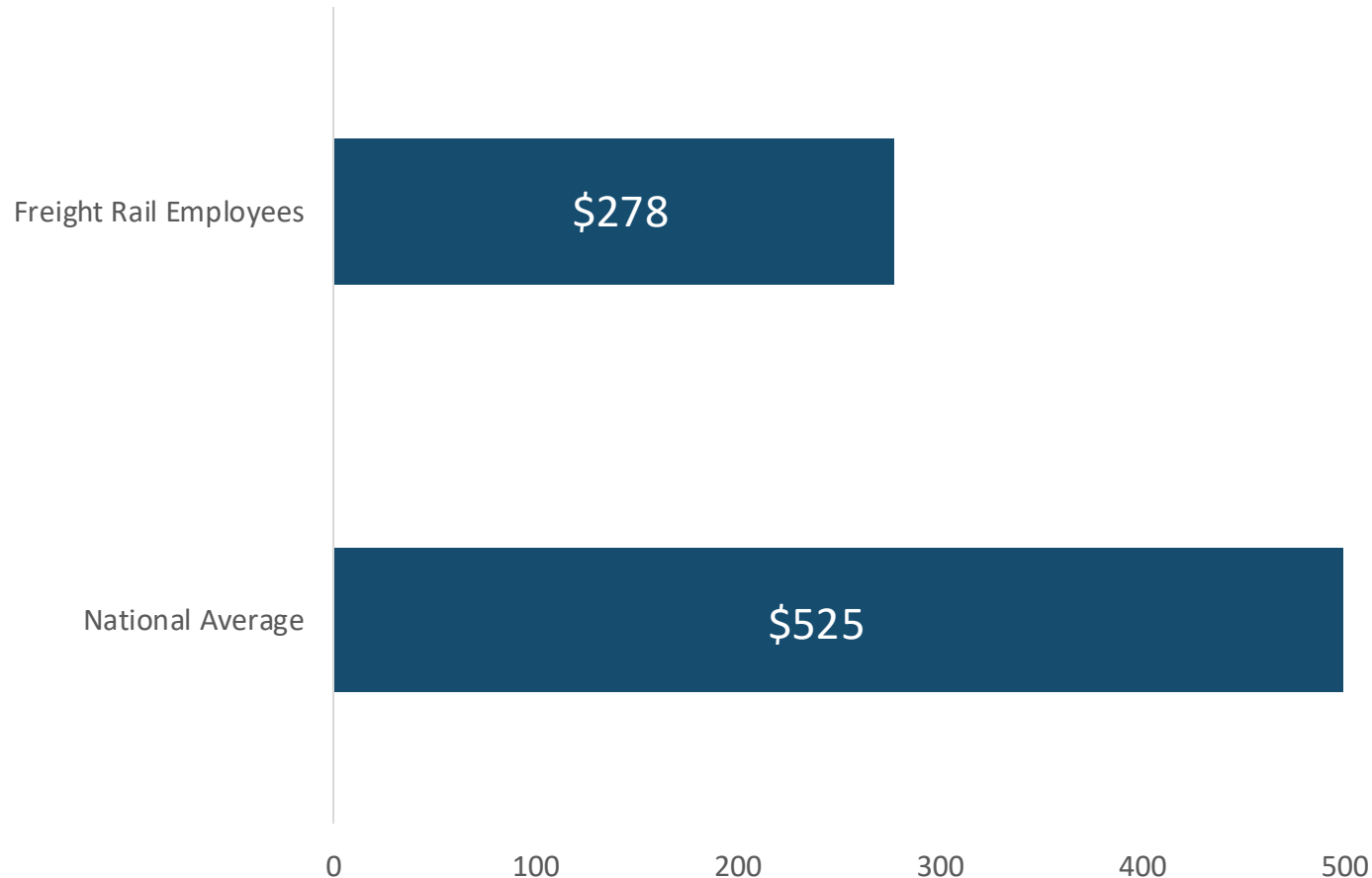


ENHANCEMENTS TO NVA PROVIDE EMPLOYEES WITH MORE VACATION EARLIER IN THEIR CAREERS



RAIL EMPLOYEES HAVE ACCESS TO AFFORDABLE AND HIGH-QUALITY HEALTHCARE BENEFITS

2024 Kaiser Family Foundation Survey -
Employees' Monthly Family Healthcare Premiums



- Freight rail union employees' benefits plan provide Platinum-level coverage, as defined by the Affordable Care Act
- The plan provides world-class health and welfare benefits at a much lower cost:
 - Employee contributions are almost 50% lower than the national average for family coverage
- Rail employee premiums are 15% of plan funding costs compared to the national average of 25%

HEALTH AND WELFARE BENEFITS: WHAT IS NOT CHANGING



Network and Cost Sharing Features

No Change to MMCP/CHCB Networks
(UHC/Highmark/Aetna)

No changes to copays/deductibles in the
MMCP/CHCB Plan options



No Change to 15% Contributions

Carriers will continue to pay 85% of the costs of
medical, dental, vision, and AD&D/Life coverage

Costs will be pooled across all plan options,
including newly offered Employee-only option

HEALTH AND WELFARE BENEFIT ENHANCEMENTS



Medical

- Coverage for surviving dependents extended from four to six months
- Plan benefits expanded to include male sterilization procedures
 - Opt-out Rate increased to \$200/month



Dental

- Individual annual maximum increased from \$1,500 to \$2,500
- Lifetime maximum orthodontia benefit increased from \$1,000 to \$2,500



Vision

- Annual frame allowance increased from \$115 every two years to \$250 every two years

ADMINISTRATIVE ENHANCEMENTS PROTECTING MEMBERS



OUT OF NETWORK
REFERENCE BASED PRICING



IMPROPER BILLING
DETECTION AND MITIGATION



RX UTILIZATION
MANAGEMENT

OON REFERENCE-BASED PRICING

Description
<p>Implement OON Reference Based Pricing programs where available with the Plan’s medical vendors. These programs help control healthcare costs by negotiating standardized payment rates for services, protecting the Plan from non-participating providers submitting claims for unreasonable costs, and protecting members from the risk of balance billing.</p> <p>Currently available programs from United Healthcare and Aetna are briefly described below. Highmark currently uses a Multi-Plan program for members within their footprint and does not presently have any additional programming options available.</p>

Program	Description
United Healthcare – Naviguard	OON reference-based pricing to replace the Plans’ current program of Multi-Plan and % of R&C billing. This program also provides advocacy support to assist members with their out of network charges and minimize risk of balance billing.
Aetna – Data iSight	Aetna uses Data iSight to negotiate down charges for OON services. There is also an advocacy program that will assist members with their charges and negotiate with providers on their behalf.

IMPROPER BILLING DETECTION AND MITIGATION

Description

Implement improper billing detection and mitigation programs where available with the Plan’s medical vendors. These programs help to safeguard healthcare resources by detecting and preventing improper billing practices or claims submissions, ensuring funds are used effectively for members’ care.

An enhanced program with United Healthcare is described below with an automated pre-payment review, enabling UHC to research and address the concern prior to payment. Per Aetna and Highmark, there are no additional programs in place today with enhanced payment integrity protections. If the Plan’s other medical vendors develop similar programs, such programs will be implemented as well.

Program	Description
United Healthcare – Enhanced Fraud/Waste/Abuse	UHC’s “Enhanced Fraud/Waste/Abuse” program reviews potentially improper claims and flags them for manual clinical review. Rather than "pay and chase", any claims flagged by this program are investigated prior to payment, but after the service has been performed. Enhanced fraud/waste/abuse is standard in UHC's fully-insured plans, and 95% of UHC’s ASO plans have this program in place.

RX UTILIZATION MANAGEMENT

Proposal

The Plan’s PBM to expand their utilization management (UM) rules package, implementing the P&T committee’s recommended prior authorization (PA), step therapy (ST), and dose quantity management (DQM) rules for all Specialty drugs and four non-Specialty drug classes in addition to UM rules in place from prior agreements.

Pharmacy utilization management rules ensure medications are used safely, effectively, and cost-efficiently. The benefits of these rules include improved patient outcomes through the prevention of medication overuse or misuse, enhanced patient safety by ensuring the correct drugs are used for the right conditions, and cost savings for both patients and healthcare systems by reducing unnecessary expenditures on expensive or inappropriate medications.

Program	Description
Optum RX – Custom Utilization Management	<p>Optum, the Plan’s PBM effective 1/1/25, will implement additional UM rules in addition to those in place due to prior agreements. Optum will apply PA, ST, and DQM to:</p> <ul style="list-style-type: none">• All Specialty drug classes• All drugs within four non-specialty therapeutic classes:<ul style="list-style-type: none">• Anti-infective Agents• Central Nervous System• Gastroenterology• Ophthalmology

NEW EMPLOYEE-ONLY, REDUCED-RATE OPTION

HDHP CLAIMS POOLED WITH MMCP AND CHCB TO PRODUCE ONE OVERALL PAYMENT RATE

Plan Design	MMCP National Plan (Individual/Family)		High Deductible Health Plan (HSA Eligible, Employee Only)	
	In-Network	Out of Network	In-Network	Out of Network
Deductible	\$350/\$700	\$700/\$1,400	\$2,500	\$5,000
Out of Pocket Maximum	\$2,000/\$4,000	\$4,000/\$8,000	\$5,000	\$10,000
PCP Visit	\$25 Copay	70% after Ded.	90% after Ded.	70% after Ded.
Specialist Visit	\$40 Copay	70% after Ded.	90% after Ded.	70% after Ded.
Urgent Care Visit	\$25 Copay	70% after Ded.	90% after Ded.	70% after Ded.
Emer. Room Visit	\$100 Copay	\$100 Copay	90% after Ded.	90% after Ded.
Inpatient Care	90% after Ded.	70% after Ded.	90% after Ded.	70% after Ded.
RX – Generic – Retail/Mail Order	\$10/\$10 Copay	75% of Elig.	90% after Ded.	75% of Elig.
RX – Formulary – Retail/Mail Order	\$30/\$60	75% of Elig.	80% after Ded.	75% of Elig.
RX – Non-Formulary – Retail/Mail Order	\$60/\$120	75% of Elig.	70% after Ded.	75% of Elig.
Employee Only Contributions	15% of Payment Rate (\$277.54/month in 2025)		10% of Payment Rate (~\$185/month based on 2025 rates)	

CONCLUSION AND NEXT STEPS