

1 **LETTER OF UNDERSTANDING NO. 15**

2 **SUBJECT: JOINT COMMITTEE ON HEALTH CARE**
3 **COSTS AND QUALITY**

4 The Company and the Union are committed to ensuring that employees have
5 access to cost effective, quality health care coverage. Because of their
6 ongoing concern about the quality of health care and costs, the parties agree
7 to a Joint Committee on Health Care Costs and Quality. The Committee
8 will have an equal number of representatives, including a co-chair, from
9 each party. When appropriate, health care experts and representatives from
10 the Company's health plans will be invited to attend Committee meetings.
11 Each party may have their benefits consultants and advisors attend
12 Committee meetings. The Committee will meet at least twice each year to
13 discuss issues related to the health care program. The Committee also will
14 meet with health care providers to express the parties' interest in obtaining
15 quality health care at affordable prices. Among the topics that the parties
16 will consider and discuss are:

- 17 • Costs under the Company's medical plans.
- 18 • Overall plan design.
- 19 • Provider accessibility.
- 20 • Efficient use of health care resources by consumers.
- 21 • Cost management programs to address specific cost areas,
22 including:
 - 23 • Disease management of selected high-cost chronic diseases.
 - 24 • Targeted health risk assessment.
 - 25 • Catastrophic case management.
 - 26 • Pharmaceutical management.
- 27 • Measurement tools for evaluating health plans' and providers'
28 efficiency, including but not limited to programs of the National
29 Academy of Sciences and National Quality Forum as well as
30 accreditation from nationally recognized groups such as the
31 National Committee for Quality Assurance (NCQA) or the
32 Foundation for Accountability (FACCT).
- 33 • Benchmark data from other employers.
- 34 • Opportunities to work with other employers, unions or other parties
35 interested in obtaining quality health care at affordable prices.

The Company and the Union also will undertake initiatives to expand health care plan accountability for quality and efficiency. Among these initiatives will be:

- Provider performance reporting on quality and efficiency to encourage use of the highest quality providers, including those who meet the highest patient safety standards.
- Joint Company and Union meetings with health care plan administrators to understand their criteria for identifying high performance providers and to strongly recommend and offer advisory information in support of the development of high performance provider networks.
- Provider programs focused on specific high-yield quality innovations shown to substantially improve patient safety.
- Computerized physician order entry. Physicians will be required to enter prescriptions into a hospital database to screen for inappropriate medications and dosages and avoid potential adverse drug reactions/interactions.
- Evidence-based hospital referral. Physicians will be required, where practical, to guide patients to facilities with superior outcomes (linked to significantly lower patient mortality).
- ICU physician staffing. Where available, physicians who are critical care specialists will provide ICU care.

To encourage plan participants to use the highest quality health care available, it is the intent that the Company will provide education to employees regarding the effectiveness of physicians, hospitals and other health care providers as it becomes available.

The Company and the Union are committed through these and other initiatives to improve quality and maintain reasonable costs, and they will recognize and endorse contracting decisions with physicians, hospitals and health plans based on compliance with these joint initiatives.

Dated: ~~November 2, 2008~~September 13, 2024