

CWA AND MOBILITY
NATIONAL BARGAINED BENEFIT PLAN (“NBBP”)

A number of questions have arisen as Mobility has just put out a “2010 Benefits Preview” that advises that charges to benefits will occur as a result of “your new bargaining contract...” This is not correct. As you know, all benefits for Mobility employees are covered by a National Benefit Plan that is separate from the Regional Contracts that get bargained periodically. Moreover, the changes that will be occurring are not a result of bargaining, but are pursuant to Arbitrator Richard Bloch’s decision and award (a copy of the Award is attached).

You may recall that there was a three-part procedure for determining benefits under the National Benefit Plan, culminating in arbitration. First, the parties engaged in bargaining which did not result in an agreement as AT&T sought to shift 35% of the cost of health care to Mobility employees. This represented an additional 20% over and above the 15% employee cost share at the inception of the National Plan. CWA would not agree to this. Next, the parties engaged in mediation with the assistance of a Commissioner from the FMCS. As AT&T continued to insist on drastic cost shifting to employees, this process was not successful in reaching an agreement. It was at this point that the dispute was submitted to the arbitrator.

This is what the arbitrator decided after this lengthy fight to protect our members’ health benefits:

- (1) No change in plan design.
- (2) No change for current members for the first year of the new four year plan (employee cost share at the inception of the original NBBP was 15%).
- (3) Beginning in the second year, current members’ cost share will gradually increase until it reaches 20% at the end of the new four year Benefit Plan.
- (4) Effective July 1, 2009 new hires became subject to an immediate 20% cost share.

Questions remain concerning the implementation of the arbitrator’s decision. CWA is currently attempting to work these out.

AWARD

1. Term

The parties are agreed, and the Arbitrator concludes, that a four-year term is appropriate.

2. Premium Contributions/Cost Sharing

1. The conclusion is that the maximum Cost Share applicable to Incumbent Employees shall be as follows:

Effective Jan. 1, 2009 – 11%
Effective Jan. 1, 2010 – 14%
Effective Jan. 1, 2011 – 17%
Effective Jan 1, 2012 – 20%

Premium contribution levels for 2009 shall remain unchanged. Premium contribution rates of 7%, 10% and 13% for years 2010, 2011 and 2012, respectively, are to be indexed as a percentage of the total cost of the benefit plan. Employee Deductibles and Out of Pocket Maximums referred to below are to be indexed as a percentage of wages, with dollar maximums. There shall be no change as to those not referenced below.

2. The flat rate applicable Cost Share to employees hired after January 1, 2009 shall be 20%, indexed as a percentage of the total cost of the benefit plan, with premium contributions and other items specifically detailed below to be indexed as in 1, above.

3. Part time employees working less than 20 hours a week will pay full premium costs; more than 20 hours per week, 50% of full cost.

4. Office Visits – Preventive – 100% Company Paid. Deductible waived.
Sickness – 90% after deductible.

5. Diagnostic Tests – 90%, after deductible.

6. Emergency Room 90%, after deductible.

7. Hospital Co-pay – 90%, after deductible.

8. Prescription Drug coverage.

- ❖ Retail Co-pays (30 day supply): Generic - \$8; Formulary - \$17;
Non-formulary \$35
- ❖ Mail Order Co-pays (90 day supply): Generic - \$17; Formulary -
\$35; Non-formulary - \$70

Other requests for modifications are denied.



Richard I. Bloch, Esq.

December 15, 2008