

SUMMARY OF TENTATIVE AGREEMENT

BETWEEN

COMMUNICATIONS WORKERS OF AMERICA
DISTRICT 2-13

AND

FRONTIER COMMUNICATIONS

MARCH 2018



**FRONTIER WEST VIRGINIA INC. - SUMMARY TENTATIVE AGREEMENT
MARCH 25, 2018**

After nearly 11-months of bargaining, including 22-days on strike, CWA and Frontier have reached a tentative agreement on the terms and conditions of employment for approximately 1,400 bargaining unit members at Frontier. This agreement expands job security to **ALL** members in the bargaining unit as of ratification, provides for increases in wages, and has modest increases in healthcare.

Duration of Contract:

The terms of the contract will become effective unless otherwise noted upon ratification and will remain in effect until 11:59 p.m., August 7, 2021.

1. Wages and Other Compensation

The combined wage increase will result in a compounded 6.12% base wage increase by the end of the contract. A ratification bonus of \$1,250 in the first year and yearly Corporate Profit Sharing Distribution of at least \$700 in 2019, 2020, and 2021 will add to wage gains.

a. General Wage Increase. The increases listed below are applied to all steps in the basic wage schedules on the date indicated:

- 2018, August 5, 2018 – 2.0%
- 2019, August 4, 2019 – 2.0%
- 2020, August 2, 2020 – 2.0%
- Compounded increase: 6.12%

b. Ratification Bonus.

- \$1,250, payable within 30 days of ratification.

c. Corporate Profit Sharing

A minimum Corporate Profit Sharing Distribution of \$700 will be paid in 2019, 2020, and 2021 (for plan years 2018, 2019, and 2020).

2. Preserving Job Security

CWA members went on strike for 22 days to secure Job Security for 200 of our members, many of who have decades of service. We held back management's efforts to increase its ability to transfer jobs out of West Virginia and stopped Frontier's plans to expand contracting.

This agreement preserves job protections won in past contracts and provides a no layoff protection for every member covered by this contract as of ratification.

- a. Job Security Provisions Expanded - Existing job security language is expanded to include every employee in the bargaining unit as of ratification of the 2017 collective bargaining agreement
- b. During negotiations the Company notified the Union it intended to close three centers affecting approximately 70 members. We were successful in preventing any of these locations from closing.
- c. The 0.7% restrictions on the Company's ability to relocate work out of the state is preserved intact.
- d. The West Virginia State Base Call Center routing remains intact and is the same as described in the 2013 MOU.

3. Health Care Changes for Active Workers

A key focus for Frontier management was to shift costs in healthcare to our members. They wanted to implement a variety of new programs and plan changes to drastically increase the cost of health care for our members. These included various changes to contributions and changes to the plan design.

In the medical plan, we did address changes in contributions, but not to the degree the company sought, and the plan design remains largely intact with modest increases. No changes were made to our Dental and Vision plans.

Overall the wage increases in this agreement and the job security provisions more than pay for the modest increases in cost sharing under the health care plan.

Revisions from printed version:

- Section 2d – corrected “describe” to “described”

a. Contributions

The contributions for all healthcare plans remain unchanged in 2018. The tentative agreement includes increases to monthly premium contributions beginning in 2019 for all medical plans (MCN, MEP, EPO, and HMO).

	MCN & MEP (Monthly)		EPO and HMO (Monthly) (contributions will be not greater than the following)	
	Employee	Employee + Family	Employee	Employee + Family
2019	\$70	\$140	\$105	\$210
2020	\$88	\$176	\$132	\$264
2021	\$102	\$204	\$153	\$306

The \$100 wellness exam annual credit, which remains unchanged for the life of the contract, is reflected in the amounts above. Without the wellness exam annual credit, an additional \$8.33 per month will be charged.

The \$50 monthly tobacco premium remains unchanged for the life of the contract. If an employee or covered dependent uses tobacco products, the rates above will be increased by \$50 per month. The additional cost can be avoided by participation in a smoking cessation program or activity.

b. MCN & MEP Plan Design Changes

The design of the healthcare plans remain unchanged through 2018. Changes were made to the design of the health care plans beginning in 2019, as follows:

	MCN		MEP	
	In Network	Out of Network	In Network	Out of Network
Annual Deductible: Deductibles apply to Out-of-Pocket Maximum.				
Individual	2019: \$100 2020: \$125 2021: \$150	2019: \$750 2020: \$775 2021: \$800	2019: \$525 2020: \$550 2021: \$575	2019: \$750 2020: \$775 2021: \$800
Family	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate	2.5 times the individual rate
OUT OF POCKET MAXIMUM (OOPM):				
Individual	2019: \$1,200 2020: \$1,250 2021: \$1,300	2019: \$2,000 2020: \$2,050 2021: \$2,100	2019: \$1,300 2020: \$1,350 2021: \$1,400	2019: \$2,200 2020: \$2,250 2021: \$2,300
Family	2.5 times the Individual rate	2.5 times the Individual rate	2.5 times the Individual rate	2.5 times the Individual rate
Coinsurance	10%	40%	10%	40%
Copays:				
Primary Care Office Visits	\$25	Deductible + Coinsurance	\$25	Deductible + Coinsurance
Specialist Office Visits	\$30	Deductible + Coinsurance	\$30	Deductible + Coinsurance
Emergency Room Visits <i>(waived if admitted)</i>	2019: \$100 2020: \$110 2021: \$120	Same as In network	2019: \$100 2020: \$110 2021: \$120	Same as In Network
Maximum Allowed Amount (MAA)	Does not Apply	240% of national Medicare fee schedule	Does not Apply	240% of national Medicare fee schedule

- Urgent care copays will be \$25 through the life of the contract.

c. HMO and EPO plan changes

- EPO Option preserved for currently enrolled employees
- Copays for primary care visits will be no greater than \$25 beginning in 2019
- Copays for specialist visits will be no greater than \$30 beginning in 2019.
- Copays for emergency room visits will be no greater than the following amounts

ER Copays	
2019	\$100
2020	\$110
2021	\$120

d. Prescription Drug Program

- **Advanced Utilization Management:** As soon as administratively possible following ratification, Express Scripts will implement its “Advanced Utilization Management” package (including Prior Authorization, Drug Quantity management, and Step Therapy) designed to further ensure safe and effective drug use, decrease prescription waste, and provide member and plan savings:
 - **Clinical Prior Authorization** program improves member health outcomes ensuring that a drug is prescribed for the right patient based upon their diagnosis or genetic makeup; also encourages physician prescribing practices that are in line with clinical guidelines. Drugs participants are currently using will be grandfathered.
 - **Clinical step therapy** program ensures that the right drug is used based upon safety and cost effectiveness. Drugs participants are currently using will be grandfathered.
 - **Clinical quantity management** programs align the quantity dispensed with FDA-approved dosage guidelines and other supportive evidence ensuring that the right amount is dispensed by the pharmacist
 - There is an opportunity to appeal denials.

- **Express Scripts Opioid Management Program:** As soon as administratively possible following ratification, Express Scripts’ Opioid Management Program will be implemented, which focuses on promoting safe utilization of opioid medications and preventing opioid overuse:
 - **Point of Sale Edit Strategies** ensure maximum efficiency and effective monitoring of opioid use.
 - Days’ Supply Limit of a First Fill of a Short Acting Opioid.
 - Prior Authorization on all Long Acting Opioids if the member has not had a prior fill for a long acting opioid.
 - Morphine Equivalent Dose (MED) based quantity limit – as not all opioids are the same this quantity limit manages the potential over-utilization of opioid medications by tracking the Morphine Equivalent Dose (MED) for each opioid dispensed.
 - All three strategies listed above are meant to be bypassed if a member has a history of cancer or palliative care.
 - Proactive Member Education.
 - Safe Opioid Disposal provides a means for safe disposal of excess opioid medications.

- **New Brand Drug Formulary:** Beginning January 2019, certain brand drugs in each treatment category will be designated as “preferred” by Express Scripts and subject to lower copay. This “preferred” drug list will give Express Scripts leverage to bargain with the pharmaceutical companies for lower prices. Members taking “non-preferred” drugs will be notified of the savings available from switching to a preferred alternative approved to treat the same condition.

- Compound Drug Pre-Authorization:** Certain pharmacies offer the service of altering the active ingredients of prescribed medications into new forms. Examples include removing dyes for allergic patients or putting the drug into a cream or lozenge form for patients who can't swallow pills. These services often increase the cost of the drug substantially. Pre-authorization will now be required before the plan will cover a prescription filled as a compound. This will require the prescribing doctor to verify that the compound form is medically necessary. An appeals process will be established for any patient denied coverage for a compound drug.

	Deductible	Generic	Preferred Brand	Non-Preferred Brand	Brand w/ Generic Alternative
In-Network* (30 day)	None	100% of Discounted Network Price (DNP), Max: 2019-21: \$10	20% of DNP, Max: 2019-20: \$30 2021: \$31.80	30% of DNP, Max: 2019-20: \$40 2021: \$42.40	No Change
Out-of-Network* (30 day)	\$50	30% of DNP plus 100% of the cost difference between retail and DNP	40% of DNP plus 100% of cost difference between retail and DNP		
Mail Order (90 day)	None	100% of DNP, Max: 2019 – 21: \$20	20% of DNP, Max: 2019-20: \$60 2021: \$63.60	30% of DNP, Max: 2019-20: \$80.00 2021: \$84.80	
*After 3 fills of a prescription from a pharmacy (In or Out-of-Network), employee pays 50% of DNP with no max dollar copay as an incentive to use the Mail Order program					

Revisions from printed version:

- Generic In-Network (30 day)- plan years corrected from 2018-20 to 2019-21.
- Beginning of Section 4. Retiree Health Benefits moved from page 8 to page 9.

4. Retiree Health Benefits

The following changes apply only to the Frontier Plan for Retired Mid-Atlantic Employees. Retiree medical coverage for accreted employees is governed by the terms of the 2016 accretion agreements.

a. Contributions

- Retirees in the MCN and MEP who retired prior to January 1, 2015 will continue to have no contribution towards coverage.
- The charts below list the monthly contributions for retirees with Net Credited Service pre-August 3, 2008 and who retire(d) after January 1, 2015.
- Beginning January 1, 2021, monthly contributions are increased by 6%.

Pre-Medicare	MCN / MEP (Only applies if retired 1/1/15 or after)			EPO and HMO		
	Retiree	Retiree + 1	Retiree + Family	Retiree	Retiree + 1	Retiree + Family
2019	\$39.33	\$67.42	\$67.42	\$105	\$160	\$210
2020	\$41.69	\$71.47	\$71.47	\$132	\$200	\$264
2021	\$44.19	\$75.75	\$75.75	\$153	\$230	\$306

Medicare Eligible	MCN / MEP (Only applies if retired 1/1/15 or after)			EPO and HMO		
	Retiree	Retiree + 1	Retiree + Family	Retiree	Retiree + 1	Retiree + Family
2019	\$19.67	\$33.71	\$33.71	\$52.50	\$80	\$105
2020	\$20.84	\$35.73	\$35.73	\$66.00	\$100	\$132
2021	\$22.10	\$37.88	\$37.88	\$76.50	\$115	\$153

b. Plan Design Changes

- All changes made to the active healthcare plan will also apply for the healthcare benefits of retirees (Mid-Atlantic Retirees, as noted above), except as provided below:

Changes to deductibles for Retirees who are not Medicare Eligible

- MCN: For retirees who are not Medicare eligible, the deductibles shall not apply and instead the following will apply:
 - Retire on or before 12/31/18 – no deductible for In-Network and \$725 out-of-network.
 - Retire after 12/31/18 – subject to deductible in effect on the date of retirement.

Revisions from printed version:

- Beginning of Section 4. Retiree Health Benefits moved from page 8 to page 9.
- Corrected chart MCN/MEP from “Only applies if retired 1/1/13 or after” to “Only applies if retired 1/1/15 or after”

- MEP: Covered retirees who are not Medicare eligible and who retire on or before 12/31/18, the deductible provisions for the MEP shall not apply. Instead the deductible will remain as currently provided in the Frontier Plan for Retired Mid-Atlantic Employees. For retirements after 12/31/18, the deductible in effect on the date of retirement will be in effect.

Changes for Retirees who are Medicare Eligible

- Deductibles: the deductible provisions in 2019 will be the same as those not eligible for Medicare
- Copays: for 2019, the copays will not apply and instead the copays will be no greater than \$10 for a PCP office visit and no greater than \$15 for a specialist visit and no greater than \$25 for ER visit (waived if admitted).

5. Pensions and Retirement Security

- a. **Pension Plan** - The pension will retain the lump sum cash out provisions of the previous bargaining agreement through December 31, 2021.
- b. **Savings and Security Plan 401(k) Plan** - For those eligible, the matching contribution of 100% (up to 6% of pay) and the Discretionary Contribution will be extended for plan years 2018, 2019, 2020, and 2021.

6. Other Benefit Changes

- a. **Benefits for Spouses in Same-Sex Marriages** - The Supreme Court has ruled that same-sex marriages are legal. Therefore, the language previously included in the collective bargaining agreement will be modified to provide benefits to legally married same-sex domestic partners.
- b. **Advisory Council on Family Care (ACFC)** – The Advisory Council on Family Care will be funded annually beginning August 5, 2018.
- c. **Training Advisory Council (TAC)** – The Training Advisory Council (TAC) will be continued under the same terms that governed TAC under the 2013 MOU.

Revisions from printed version:

- Section heading corrected from “Changes to deductibles for Retirees who are not Medicare Eligible” to “Changes for Retirees who are Medicare Eligible”.

- d. **Wellness Committee** – During the term of the 2017 MOU, the Company agrees to continue the Wellness Committee, under the same terms that governed the Wellness Committee under the 2013 MOU.
- e. **Tuition Assistance Plan** - Certain course studies will no longer be covered under this program.

7. Return to Work Agreement

- a. Floating holidays that were scheduled during the strike may be rescheduled per the terms of the contract and taken no later than December 31, 2018.
- b. Unused vacation days and Excused Work Days remaining from 2017 which were still available on March 3, 2018, and which were not paid in lieu of during the strike, may be taken pursuant to normal scheduling guidelines no later than May 31, 2018.

When We Fight, We Win!