

## **APPENDIX G**

### **LETTER OF UNDERSTANDING REGARDING ACCESS TO CENTERS OF EXCELLENCE UNDER THE PPO PROGRAM**

Mr. Bob Bratulich, Director  
District 11  
United Steelworkers  
2929 University Avenue SE, Suite 150  
Minneapolis, MN 55414

Re: Centers of Excellence

Dear Mr. Bratulich:

This is to confirm our understanding that participants in the Program of Insurance Benefits (PIB) and Program of Hospital-Medical Benefits for Eligible Pensioners and Surviving Spouses (PHMB) will continue to have access to centers of excellence in accordance with the negotiated Managed Health Care protocols.

In addition, participants in the PIB and PHMB will have access to enhanced transplant services through the Blue Cross and Blue Shield Blue Quality Centers for Transplant.

Managed care participants may elect to utilize "Centers of Excellence" for medical services or procedures that are difficult, costly or specialized and where such treatment would be likely to reduce costs or improve the outcome. Centers of Excellence are health care institutions that have gained professional recognition through specialized clinical expertise and equipment acquisitions, and are able to provide major resource-intensive procedures in a more effective and efficient manner than may be possible elsewhere in the region.

Coverage for medical services received at a Center of Excellence may vary depending on whether or not prior authorization has been obtained and whether the Center of Excellence is a participating provider in the BCBS PPO network.

Coverage for medical services at a Center of Excellence which is a participating provider in the BCBS PPO network will be provided at the in-network benefit level. If prior authorization is obtained or a denial is successfully appealed, transportation for the participant and a family member to the Center of Excellence will also be paid for, including lodging for the family member.

If authorization is not obtained for medical services at a Center of Excellence which is a participating provider in the BCBS PPO network or the appeal regarding the status of the provider as a Center of Excellence is denied, coverage will still be provided at the in-network benefit level, but transportation expenses will not be covered

Coverage for medical services at a Center of Excellence which is not a participating provider in the BCBS PPO network requires pre-authorization. If authorization is obtained, coverage will be provided at the in-network benefit level and transportation expenses will be covered. **To qualify for this benefit, the member must reside more than 150 miles from the Center of Excellence.** If authorization is not obtained or an appeal regarding the status of the provider is denied, coverage will be provided at the lower out-of-network benefit level and travel expenses will not be covered.

Authorization of medical services at a Center of Excellence and the determination that a provider is a Center of Excellence, as described above, will be made on a case by case basis after consultation with the participant or family, physician(s) and Anthem BCBS. In the event of a dispute over whether a facility is a "Center of Excellence," the matter will be referred to representatives of the Company and Union for resolution.

Examples of such Centers of Excellence are attached, however these are only examples. Participants should consult with their physician and Anthem BCBS for other hospitals and specialties.

Very truly yours,  
Randy L. Kummer  
Senior Vice President-Human Resources  
The Cleveland-Cliffs Iron Company,

as Operating Agent for Empire Iron  
Mining Partnership and Tilden Mining  
Company L.C.

Confirmed:  
Bob Bratulich  
United Steelworkers