



**LETTER AGREEMENT
NO. 97-117-PGE**

IBEW



PACIFIC GAS AND ELECTRIC COMPANY
INDUSTRIAL RELATIONS DEPARTMENT
2850 SHADELANDS DRIVE, SUITE 100
WALNUT CREEK, CALIFORNIA 94598
(510) 974-4282

INTERNATIONAL BROTHERHOOD OF
ELECTRICAL WORKERS, AFL-CIO
LOCAL UNION 1245, I.B.E.W.
P.O. BOX 4790
WALNUT CREEK, CALIFORNIA 94596
(510) 933-6060

MEL BRADLEY, MANAGER OR
DAVID J. BERGMAN, CHIEF NEGOTIATOR

JACK MCNALLY, BUSINESS MANAGER

September 26, 1997

Local Union No. 1245
International Brotherhood of
Electrical Workers, AFL-CIO
P.O. Box 4790
Walnut Creek, CA 94598

Attention: Mr. Jack McNally, Business Manager

Gentlemen:

The Company and Union met to discuss the Open Enrollment process for 1998. The Open Enrollment process and health plan offerings will be the same as in 1997 with the following proposed exceptions:

- Currently, PG&E has contracts with nine HMOs, in addition to the Prudential plans. Beginning January 1, 1998, PG&E will have contracts with seven HMOs due to acquisitions that have occurred recently. HealthNet has acquired Foundation and PacifiCare has acquired FHP HealthCare. The HMOs that will be offered in 1998 are Aetna, HealthNet, Health Plan of the Redwoods, Kaiser North, Kaiser South, Lifeguard and PacifiCare. The PBGH model will be used as the plan design for PacifiCare (Attachment A). A three step approach will be used to notify current Foundation and FHP HealthCare members of this change. Two notification letters and a follow-up call will be placed to employees who are currently enrolled in the health plans that have been acquired to let them know that these plans are not viable choices for 1998. If another health plan is not selected during Open Enrollment, the employee and his/her dependents will be enrolled in the appropriate Prudential plan for calendar year 1998.


- HealthNet will be offered in all counties where it is available during the Open Enrollment period commencing October 1997, with an effective date of January 1, 1998
- Lifeguard will be offered in Nevada County during the Open Enrollment period commencing October 1997 with an effective date of January 1, 1998
- Beginning with the Open Enrollment period in 1998 with an effective date of January 1, 1999, Medicare Risk products will be offered in all counties where the companion health plans are offered (e.g. Secure Horizons is the Medicare Risk product for PacifiCare; if PacifiCare is offered in Alameda County, Secure Horizons will be offered in Alameda County as well)

The changes with an effective date of January 1, 1998, will be incorporated in the Open Enrollment materials that will be distributed this year.

If you are in accord with the foregoing and agree thereto, please so indicate in the space provided and return one executed copy of this letter to the Company.

Very truly yours,

PACIFIC GAS & ELECTRIC COMPANY

By: 
Chief Negotiator

The Union is in accord with the foregoing and agrees thereto as of the date hereof.

Oct 31, 1997

By: 
Business Manager

FHP/PacifiCare/PacifiCare PBGH Model Comparison – 8/8/97

Provisions	FHP	Current PacifiCare	PacifiCare PBGH Model
General	FHP providers only. Annual copayment maximum \$1000 (3 max per family)	PacifiCare providers only. Annual copayment maximum \$800 (3 max per family)	PacifiCare providers only. Annual copayment maximum \$800 (3 max per family)
Hospital Stay	No charge, including intensive and coronary care	No charge, including intensive and coronary care	No charge, including intensive and coronary care
Skilled Nursing Facility	No charge	No charge up to 100 days per calendar year	No charge up to 100 consecutive days from first treatment
Outpatient Hospital and Emergency Room Care	\$10/visit at medical group location; \$25/visit at non-medical group	\$35/visit (waived if admitted)	\$25/visit (waived if admitted)
Maternity Care	No charge, except 50% copayment of hospital and professional infertility services charges up to annual maximum copayment of \$1000.	No charge, except infertility services generally not covered.	No charge, except 50% copayment for infertility services.
Well-Baby Care	No charge	No charge	No charge to age 2; includes immunizations
Doctor's Visits	Office – No charge Home -- \$10	Home or Office -- \$5	Home or office -- \$5
Routine Physical Exams	No charge	\$5/visit	\$5/visit age 2 and older
Immunizations and Injections	No charge	Included in office visit	\$5/visit age 2 and older
Eye Exams	No charge through age 17	\$5/visit for vision screening only	\$5/visit for screening and refractions
X-Ray and Lab Tests	No charge	\$5 copayment	No charge
Pre-admission Testing	No charge	No charge	No charge
Home Health Care and Home Hospice Care	Home health – No charge. Home hospice care not covered.	Home health -- \$5/visit up to 60 days. Home hospice -- \$5/visit up to 180 days lifetime	Home health -- \$5/visit. Home hospice -- \$5/visit up to 120 days lifetime
Inpatient Hospice Care	Not covered	No charge up to 180 days lifetime (included in home hospice benefit)	\$5/visit up to 120 days lifetime (included in home hospice benefit)
Outpatient Physical Therapy	No charge	\$5/visit up to 60 days from first treatment	\$5/visit up to 60 days from first treatment

Outpatient Prescription Drugs	\$10 copayment for 1-month supply or \$20 copayment for up to 90-day supply from FHP mail order program. Also eligible for MMRx benefit – 15% for 90-day supply.	\$10 copayment for either 1-month supply or 90-day supply through PacifiCare mail order plan. Also eligible for MMRx benefit -- 15% for 90-day supply.	\$10 copayment for either 1-month supply or 90-day supply through PacifiCare mail order plan. Also eligible for MMRx benefit -- 15% for 90-day supply.
Mental Health	Inpatient: No charge for 30 days per calendar year; \$20/visit for doctor visits, limited to one visit/day for up to 30 days per calendar year. Outpatient: \$20/visit for up to 20 visits per year.	Inpatient: Not covered. Outpatient: \$35/visit for up to 20 visits during any 12-month period.	Inpatient: Not covered. Outpatient: \$20/visit for up to 20 visits during any 12-month period.
Inpatient and Outpatient Alcohol and Drug Care	Covered by separate PG&E Mental Health, Alcohol, and Drug Program. Two courses per lifetime with referral by VBH. First course covered at 100%; second course has \$100 deductible, then covered at 100%.	No charge for detoxification only. Also covered by separate PG&E Mental Health, Alcohol, and Drug Program. Two courses per lifetime with referral by VBH. First course covered at 100%; second course has \$100 deductible, then covered at 100%.	No charge for detoxification only. Also covered by separate PG&E Mental Health, Alcohol, and Drug Program. Two courses per lifetime with referral by VBH. First course covered at 100%; second course has \$100 deductible, then covered at 100%.
Chiropractic Care	Not covered.	Not covered.	Not covered.