



ITC Holdings believes that offering a competitive, sustainable health plan will help us attract and retain a talented group of professionals who can focus on delivering the most efficient, reliable and modernized national power grid.

We encourage our employees and their families to lead healthy lifestyles and to be thoughtful consumers of health care services. We keep our approach simple and understandable to minimize distractions.

ITC provides full coverage for preventive services and wellness screenings. ITC offers follow-up support programs such as telephonic wellness coaching and smoking cessation programs. We also analyze aggregate data about our employees' use of health screenings from our plan vendors to monitor participation levels and identify problem areas that can be addressed. Employees who do not participate in screenings or who decline to try to stop smoking are required to pay a higher cost to participate in our health plan. These efforts were launched in 2010, and today, more than 94 percent of ITC employees participate in our health screenings.

Our health plan offers financial incentives for using providers that offer discounts and alternative fee structures, and we are working with our vendors as they launch innovative provider payment approaches. Our plan makes it financially attractive to use lower-cost primary care services and generic drugs and maintains a precertification, step therapy and disease management program to support thoughtful purchasing of health care services.

ITC shares a fixed percentage of health plan cost with employees, and we communicate this information to be sure that they understand that controlling cost requires partnership. Health plan management includes an annual review of plan vendors and contracts to ensure we purchase financially competitive arrangements with superior service levels.

ITC's health plan costs rose less than 2.5 percent last year with no changes to benefit levels. ITC will continue to investigate value-based plan designs and provider cost transparency tools. ITC is considering plan changes that continue to build a culture of wellness, including adding at least one account-based health plan. We will investigate new ideas thoroughly to avoid approaches that unduly burden our employees.

Our health plan makes it financially attractive to use lower-cost primary care services and generic drugs and maintains precertification, step therapy and disease management programs to support thoughtful purchasing of health care services. ITC will continue to investigate innovations like population-based health management, value-based plan designs and provider cost transparency tools.



A handwritten signature in black ink that reads "Joseph L. Welch".

Joseph L. Welch
Chairman, President and Chief Executive Officer