UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re **PATRIOT COAL CORPORATION, *et al.*,** **Debtors.**	**Chapter 11** **Case No. 12-51502-659** **(Jointly Administered)** **Objection Deadline:** **March 28, 2013 at 4:00 p.m.** **(prevailing Central Time)** **Hearing Date:** **April 10, 2013 at 10:00 a.m.** **(prevailing Central Time)** **Hearing Location:** **Courtroom 7 North**

REVISED SUMMARY OF EXHIBITS TO THE DECLARATION OF DALE F. LUCHA IN SUPPORT OF THE DEBTORS' MOTION TO REJECT COLLECTIVE BARGAINING AGREEMENTS AND TO MODIFY RETIREE BENEFITS PURSUANT TO 11 U.S.C. §§ 1113, 1114

Patriot Coal Corporation and its affiliated debtors (collectively, "**Patriot**" or the "**Debtors**") respectfully submit that the following exhibits, referenced in the Declaration of Dale F. Lucha in Support of the Debtors' Motion to Reject Collective Bargaining Agreements and to Modify Retiree Benefits Pursuant to 11 U.S.C. §§ 1113, 1114, will be made available for inspection at the hearing on the Motion or upon request of parties in interest:

1A. Wage Rate Savings – Part I (*filed under seal*)

1B. Wage Rate Savings – Part II (*filed under seal*)

1C. Wage Rate Savings – Part III (*filed under seal*)

1D. Wage Rate Savings – Part IV (*filed under seal*)

1E. Wage Rate Savings – Overtime (*filed under seal*)

2. Healthcare Savings (*filed under seal*)

3. Extended Healthcare Savings (*filed under seal*)

4A. Work Rule Savings – Part I (*filed under seal*)

4B. Work Rule Savings – Part II (*filed under seal*)

4C. Work Rule Savings – Part III (*filed under seal*)

4D. Work Rule Savings – Part IV (*filed under seal*)

5. Summary Quantification of Counterproposal Savings (*filed under seal*)

6. Assessment of First Counterproposal (*redacted*)

7. Assessment of Second Counterproposal (*redacted*)

Dated: March 18, 2013

New York, New York

Respectfully submitted,

/s/ Elliot Moskowitz

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EXHIBIT 1A

FILED UNDER SEAL

EXHIBIT 1B

FILED UNDER SEAL

EXHIBIT 1C

FILED UNDER SEAL

EXHIBIT 1D

FILED UNDER SEAL

EXHIBIT 1E

FILED UNDER SEAL

EXHIBIT 2

FILED UNDER SEAL

EXHIBIT 3

FILED UNDER SEAL

EXHIBIT 4A

FILED UNDER SEAL

EXHIBIT 4B

FILED UNDER SEAL

EXHIBIT 4C

FILED UNDER SEAL

EXHIBIT 4D

FILED UNDER SEAL

EXHIBIT 5

FILED UNDER SEAL

EXHIBIT 6

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January 17, 2013

Subject: Analysis of UMWA Proposal for Retirees - Revised

Dear Mickey:

Mercer has prepared an updated estimate of annual plan savings for each of the programs proposed by the UMWA. We discovered that the number of emergency room visits provided by Blue Cross Blue Shield of Illinois (BCBS) was not accurate. A revised report was provided by BCBS this morning which increased the reported number of visits from 1,177 to 2,014, resulting in an additional $178,000 savings.

As noted in previous correspondence, there are numerous open questions regarding the details of these proposals and their operation. In the absence of answers to our questions, we have made reasonable assumptions in support of our methodology and calculations.

It is very important to note that these estimates represent annual savings that might be achieved by implementing the proposed programs. In view of the time required to gain clarification of the proposed programs, update savings projections, receive approval from the Bankruptcy court, and implement through Patriot's vendors, it is unlikely that significant savings will be achieved in 2013.

Following is a summary of the proposed programs, our analysis and estimates of savings.

D.1- The UMWA proposes implementation of a generic formulary, providing an exception in limited cases of medical necessity. Medical necessity shall require an additional $10 surcharge on brand-name drugs not included in the formulary.

In the absence of complete details regarding the operation of this program, we have based our estimate of savings on the following assumptions:

- all generic drugs are included in the formulary;
- current copayments ($5 PPL, $10 non-PPL) are retained;

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- medical necessity will be as effective as standard Dispense as Written 1 (DAW 1) provisions, so while some savings will be generated through generic substitution, most savings will be realized by the addition of a $10 copayment for brand name drugs.

Combined savings for this program will be approximately $941,250.

D.2 – The UMWA proposes a mandatory mail order program for maintenance drugs and to impose a $5 co-payment for each mail order refill. In the case of a beneficiary who fills a prescription for a maintenance drug at a retail pharmacy, the beneficiary shall pay, in addition to the normal co-payment, a surcharge of $10 per prescription.

Combined savings for this program will be approximately $1,506,000.

D.3 – The UMWA proposes that co-payments and deductibles shall be temporarily increased to $200 per visit for emergency room care.

Medicare typically pays emergency room visits after the Part B deductible, then covers 80% of approved charges. The $200 emergency room copayment is not relevant to the Medicare population.

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During the twelve months ending November 30, 2012, non-Medicare retirees incurred 2,014 emergency room visits. Some of these emergency room visits may have resulted in an inpatient admission and related waiver of copayment. [redacted]

We believe that a reasonable estimate of savings for this provision is $428,000.

D.4 – The UMWA proposes that Patriot adopt the UMWA Funds durable equipment network.

Thompson Reuters MarketScan database provides normative cost data by type of service. For non-Medicare retirees, durable medical equipment represents 0.61% of total medical and prescription drug cost.

Patriot's non-Medicare population incurred $442,338 for durable medical equipment (including hearing aids) during the twelve months ending 11/30/12. [redacted] In our opinion, this higher cost is not un-expected in view of Patriot's industry and overall higher health benefit costs. Current provider discounts realized through the BCBS network are approximately 40% of submitted charges. [redacted]

For Medicare retirees, with the exception of hearing aids, durable medical equipment is paid primarily by Medicare. [redacted]

Combined savings for this program will be $114,760.

D.5 – The UMWA proposes to work with Patriot to adopt a PPL network to be applied to Coal Act beneficiaries.

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It is important to note that Patriot provides Medicare Advantage plans for Medicare eligible Coal Act members. For these members, a PPL network is not relevant. While there are very few non-Medicare Coal Act beneficiaries, they do currently use BCBS' PPL, which has among the best provider discounts in the private sector. It is unlikely that additional cost savings would be realized with this proposed change.

Based on our understanding of the proposed program, Mercer does not expect any savings.

D.6 – The UMWA proposes that Patriot's health plan will be secondary to any plan sponsored by the employer of a spouse of an active employee or retiree, or a surviving spouse (collectively "beneficiary" for the purposes of this paragraph), so long as the beneficiary is eligible to receive coverage by that plan. Patriot shall reimburse the employee, retiree or surviving spouse the premium costs of such coverage. Patriot will not be responsible for any benefits that a beneficiary could have received from his or her other employer's plan. Patriot shall remain responsible for the benefits of all current beneficiaries until they are eligible to receive benefits from the other employer's plan. Patriot shall remain responsible for reimbursement to the beneficiary of documented costs incurred by the beneficiary for benefits that are not covered under the new employer's plan but that are covered by Patriot's plan. No Patriot beneficiary shall be required to pay out of pocket in any calendar year more in premiums, deductibles, copayments or other out of pocket costs than the beneficiary would have been require to pay had he or she been covered under the Patriot plan.

For this analysis, we have prepared savings for the retiree population only.

Using UMWA retiree claims data, employee election results from Patriot's open enrollment for salaried active employees (spousal COB program), and reasonable assumptions regarding the number of working spouses who have coverage available through their employer, we estimate that this program may result in additional costs to Patriot depending on whether Patriot must reimburse premiums for spouses who already have other coverage in addition to those who newly enroll in their employers benefit plan (if available).

Following are our assumptions and calculations.

Total UMWA NME Spouses	2,115
Estimate % of spouses that work (based on non-union 2013 enrollment)	18%
Potential NME members with spouse employer coverage available	389

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NME spouses already with COB	258
New NME spouses with COB	131
Annual cost of Patriot primary coverage per member	$13,080
Estimated annual cost of spouse employer plan per member	$11,000
Estimated non-duplication savings to Patriot per member	$8,800
Estimated contribution for spouse employer plan per member	$3,300
Net savings per member	$5,500
Total net savings	$700,000
Plus premiums for spouses who already have COB	-$851,400
Net Cost to Patriot	-$151,400

It is important to note that this is a closed group of spouses, and that as they age over time, savings generated by this program will rapidly decline in future years.

Total savings for all of these programs is estimated to be $2,838,610. It is important to note again that these estimates represent an annual savings that, due to time needed for approval and implementation, would be only partially realized in 2013.

We are available at your convenience to discuss our assumptions, analysis and calculations. In the meantime, please let me know if you have any questions.

Sincerely,

Tim Simpson

Tim Simpson
Principal

EXHIBIT 7

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February 5, 2013

Subject: Analysis of UMWA Proposal – Active Employees

Dear Mickey:

Similar to our analysis for retirees, Mercer has prepared preliminary estimates of annual plan savings for active employees. As noted in previous correspondence, there are numerous open questions regarding the details of these proposals and their operation. In the absence of answers to our questions, we have made reasonable assumptions in support of our methodology and calculations.

It is very important to note that these estimates represent annual savings that might be achieved by implementing the proposed programs. In view of the time required to gain clarification of the proposed programs, update savings projections, receive approval from the Bankruptcy court, and implement through Patriot's vendors, it is unlikely that significant savings will be achieved in 2013.

Following is a summary of the proposed programs, our analysis and estimates of savings.

D.1- The UMWA proposes implementation of a generic formulary, providing an exception in limited cases of medical necessity. Medical necessity shall require an additional $10 surcharge on brand-name drugs not included in the formulary.

In the absence of complete details regarding the operation of this program, we have based our estimate of savings on the following assumptions:

- all generic drugs are included in the formulary;
- current copayments ($5 PPL, $10 non-PPL) are retained;
- medical necessity will be as effective as standard Dispense as Written 1 (DAW 1) provisions, so while some savings will be generated through generic substitution, most savings will be realized by the addition of a $10 copayment for brand name drugs.

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A savings will be approximately $417,950.

D.2 – The UMWA proposes a mandatory mail order program for maintenance drugs and to impose a $5 co-payment for each mail order refill. In the case of a beneficiary who fills a prescription for a maintenance drug at a retail pharmacy, the beneficiary shall pay, in addition to the normal co-payment, a surcharge of $10 per prescription.

Based on our experience with similar programs, we estimate that savings for this program (including the surcharge, improved pricing at mail, and additional rebates) will be

An savings will be approximately $668,720.

D.3 – The UMWA proposes that co-payments and deductibles shall be temporarily increased to $200 per visit for emergency room care.

During the twelve months ending November 30, 2012, active employees incurred 1,952 emergency room visits. The number of UMWA employees covered by the plan has dropped from an average of approximately 1,900 during the claims experience period to 1,611 as of January 14, 2013. Adjusting for the change in enrollment, we expect approximately 1,655 visits in 2013. Some of these emergency room visits will result in an inpatient admission and related waiver of copayment. We assume that 10% of those visits will result in an inpatient admission. Under the proposed program, the $200 copayment would be applied to 1,490 visits generating savings of $298,000. There will some additional savings related to care re-directed to an urgent care center or physician's office, or completely avoided.

We believe that a reasonable estimate of savings for this provision is $347,000.

D.4 – The UMWA proposes that Patriot adopt the UMWA Funds durable equipment network.

Thompson Reuters MarketScan database provides normative cost data by type of service. For non-Medicare retirees, durable medical equipment represents 0.52% of total medical and prescription drug cost.

Patriot's active population incurred $175,167 for durable medical equipment (including hearing aids) during the twelve months ending 11/30/12. As noted previously, the number of UMWA employees covered by the plan has dropped from an average of approximately 1,900 during the claims experience period to 1,611 as of January 14, 2013.

Current provider discounts realized through the BCBS network are approximately 53% of submitted charges. If we assume that the Funds network can generate an negotiated savings, Patriot will save an additional $16,220.

D.5 – The UMWA proposes that Patriot's health plan will be secondary to any plan sponsored by the employer of a spouse of an active employee ("beneficiary" for the purposes of this paragraph), so long as the beneficiary is eligible to receive coverage by that plan. Patriot shall reimburse the employee the premium costs of such coverage. Patriot will not be responsible for any benefits that a beneficiary could have received from his or her other employer's plan. Patriot shall remain responsible for the benefits of all current beneficiaries until they are eligible to receive benefits from the other employer's plan. Patriot shall remain responsible for reimbursement to the beneficiary of documented costs incurred by the beneficiary for benefits that are not covered under the new employer's plan but that are covered by Patriot's plan. No Patriot beneficiary shall be required to pay out of pocket in any calendar year more in premiums, deductibles, copayments or other out of pocket costs than the beneficiary would have been require to pay had he or she been covered under the Patriot plan.

Using UMWA active claims data, employee election results from Patriot's open enrollment for salaried active employees (spousal COB program), and reasonable assumptions regarding the number of working spouses who have coverage available through their employer, we estimate that this program will save approximately $450,900.

Following are our assumptions and calculations.

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Total UMWA active spouses	1,286
Estimate % of spouses that work	18%
Potential active members with spouse employer coverage available	237
Spouses already with COB	71
New NME spouses with COB	166
Annual cost of Patriot primary coverage per member	$8,127
Estimated annual cost of spouse employer plan per member	$7,000
Estimated non-duplication savings to Patriot per member	$5,600
Estimated contribution for spouse employer plan per member	$2,100
Net savings per member	$3,500
Total net savings	$600,000
Plus premiums for spouses who already have COB	-$149,100
Savings for this program	$450,900

Total savings for all of these programs is estimated to be $1,900,790. It is important to note again that these estimates represent an annual savings that, due to time needed for approval and implementation, would be only partially realized in 2013.

We are available at your convenience to discuss our assumptions, analysis and calculations. In the meantime, please let me know if you have any questions.

Sincerely,

Tim Simpson

Tim Simpson
Principal