



**At AK Steel, we strive to provide quality, affordable health care benefits to our employees and retirees as well as their family members.** In fact, we spent about

\$145 million on health care benefits for our employees and retirees in 2013 alone. With

health care costs increasing by about seven percent each year, we realize that we are all in the fight to control health care costs together.

To stay in the fight, we work with insurance companies to maximize discounts with health care providers and prescription drug manufacturers. We also identified Medicare Advantage plans for retirees that have proven to be more efficient than traditional Medicare supplemental plans. In addition, by funding voluntary employee beneficiary association (VEBA) trusts for certain groups of retirees, we were able to produce a win-win health care solution. The VEBA agreements continue to help meet the health care needs of those retirees while lowering the company's long-term health care costs.

We also launched our Healthy Choices program in 2008, which is designed to help employees better manage their health, their family members' health and the company's health care dollars over the long-term. From health-related education and activities to individual health assessments, our Healthy Choices program promotes good health and wellness among employees. It is a proactive approach to preventing health care problems in the future, and that is good for our people, their families and our company.

To encourage and reward participation, AK Steel provides a generous discount on health insurance premiums to those who complete the program's comprehensive health assessment. These annual assessments are conducted by health care professionals at each AK Steel location. A great success story, more than 95 percent of our salaried workforce participates in our Healthy Choices program.

Looking forward, we believe that waste and inefficiency in health care delivery can be eliminated only when the health care system is rewarded for delivering value rather than volume. AK Steel is closely monitoring marketplace initiatives designed to meet this goal. For example, the patient-centered-medical home, a new concept in health care management, offers the twofold promise of transforming the health care payment system from transaction-based to one based on health outcomes, while also improving the quality of care received by our employees, retirees and their family members. We are actively exploring other opportunities to improve the efficiency of delivering appropriate care to our employees, such as retail clinics, telemedicine and eHealth. Our approach will continue to be based on the concept of shared accountability, a method that has produced outstanding results for our company and our great people.

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**James L. Wainscott**  
Chairman, President and Chief Executive Officer

