DOCTORS
MEDICAL CENTER

# West Contra Costa Healthcare District
# Doctors Medical Center
# Board of Directors

**Wednesday, June 25 2014**

**5:00 PM**

**Doctors Medical Center**
**Auditorium**

**2000 Vale Road**

**San Pablo, CA**

DOCTORS
MEDICAL CENTER

**WEST CONTRA COSTA HEALTHCARE DISTRICT**
**DOCTORS MEDICAL CENTER**

**BOARD OF DIRECTORS**

**WCCHD DOCTORS MEDICAL CENTER**
**BOARD OF DIRECTORS**
**JUNE 25, 2014 – 5:00 P.M.**
**Doctors Medical Center - Auditorium**
**2000 Vale Road**
**San Pablo, CA 94806**

**Board of Directors**
*Eric Zell, Chair*
*Irma Anderson*
*Deborah Campbell*
*Nancy Casazza*
*Beverly Wallace*

## AGENDA

1. **CALL TO ORDER** — E. Zell

2. **ROLL CALL**

3. **PUBLIC COMMENTS** — E. Zell
   *[At this time persons in the audience may speak on any items not on the agenda and any other matter within the jurisdiction of the Board of Directors]*

4. **BOARD OF DIRECTORS ELECTION** — E. Zell
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Approval of Resolution Ordering Board of Directors Election Resolution 2014-08*

5. **MEDICAL EXECUTIVE COMMITTEE REPORT** — D. Gideon
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Approval of Medical Executive Committee Report and Credentials Committee Report*

6. **APPROVAL OF CHANGES TO NUHW CONTRACT** B. Redlo
   a. Presentation
   b. Discussion
   c. Public Comment
   d. *ACTION: Approval of Revised NUHW Collective Bargaining Agreement – Resolution 2014-09*

**ADJOURN TO CLOSED SESSION**

A. Reports of Medical Staff Audit and Quality Assurance Matters Pursuant to Health and Safety Code Section 32155.

B. Conference with Labor Negotiators (pursuant to Government Code Section 554957.6) Agency negotiators: Bob Redlo, VP of Patient Relations, Labor Relations & Workforce Development, John Hardy, Vice President of Human Resources: California Nurses Association, NUHW, PEU Local One and Local 39.

C. Discussion involving Trade Secrets Pursuant to Health and Safety Code Section 32106. Discussion will concern new programs, services, facilities.

ANNOUNCEMENT OF REPORTABLE ACTION(S) TAKEN IN CLOSED SESSION, IF ANY.

DOCTORS
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# BOARD OF DIRECTORS ELECTION

## TAB 4

**RESOLUTION NO. 2014-08**
**West Contra Costa Healthcare District**

**Resolution Ordering Even - Year Board of Directors Election**

*WHEREAS,* California Elections Code requires a general district election be held in each district to choose a successor for each elective officer whose term will expire on the first Friday in December following the election to be held on the first Tuesday after the first Monday in November in each even-numbered year; and

*WHEREAS,* other elections may be held in whole or in part of the territory of the district and it is to the advantage of the district to consolidate pursuant to Elections Code Section 10400; and

*WHEREAS,* Elections Code Section 10520 requires each district involved in a general election to reimburse the county for the actual costs incurred by the county elections official in conducting the election for that district; and

*WHEREAS,* Elections Code Section 13307 requires that before the nominating period opens the district board must determine whether a charge shall be levied against each candidate submitting a candidate's statement to be sent to the voters; may estimate the cost; and determine whether the estimate must be paid In advance; and

*WHEREAS,* Elections Code Section 12112 requires the election official of the principal county to publish a notice of the election once in a newspaper of general circulation in the District;

NOW, THEREFORE, IT IS ORDERED that an election be held within the West Contra Costa Healthcare District on the **4th day of November, 2014**, for the purpose of electing members to the board of directors of said District in accordance with the following specifications:

## SPECIFICATIONS OF THE ELECTION ORDER

1. The Election shall be held on Tuesday, **the 4th day of November, 2014.** The purpose of the election is to choose members of the board of directors or councilmembers for the following seats: (List offices and terms)

   Board Member, 4 - year term

   Board Member, 4 - year term

2. The District has determined that the Candidate will pay for the Candidate's Statement. As a condition of having the Candidate's Statement published, the candidate shall/may pay the estimate cost at the time of filing. The District hereby establishes the estimated cost for a candidate statement as the following: **$ 1412.50**

3. The District directs that the County Registrar of Voters of the principal county publish the Notice of Election in a newspaper of general circulation that is regularly circulated in the territory.

4. This Board hereby requests and consents to the consolidation of this election with other elections which may be held in whole or in part of the territory of the district, pursuant to Elections Code 10400.

5. The district will reimburse the county for the actual cost incurred by the county elections official in conducting the general district election upon receipt of a bill stating the amount due as determined by the elections official.

6. The Clerk of this Board is ordered to deliver copies of this Resolution, to the Registrar of Voters, and if applicable, to the Registrar of Voters of any other county in which the election is to be held, **and to the Board of Supervisors.**

7. THE FOREGOING RESOLUTION WAS ADOPTED upon motion of Director _____

   Seconded by Director _____, at a regular meeting on this day of

   June 25, 2014, by the following vote:

AYES: _____ NOES: _____

ABSENT: ABSTAIN:

DATED:

_____

_____

**DISTRICT SECRETARY: Nancy Casazza**
**Name of District:** West Contra Costa Healthcare District

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# MEDICAL EXECUTIVE COMMITTEE REPORT

## TAB 5

# MEDICAL EXECUTIVE COMMITTEE
# REPORT TO THE BOARD

**MEC DATE:** May 12, 2014 **BOARD DATE:** June 25, 2014

| TOPIC | Comment (S) |
|---|---|
| Kathy White, Interim COO provided the following report:<br>• Measure C was unsuccessful in the polls and while some final options for funding are being pursued, DMC leadership is preparing for closure. The Governing Board will discuss and vote on the potential closure at their meeting on May 28, 2014. The immediate issues we face are resignations and sick leave.<br>• Regarding resignations, when closure is inevitable, we anticipate employees will resign and leave earlier than preferred. We will need to be prepared to deal with these losses and continue safe operations for our patients as long as scheduled. Also, employees perceive leaving sick hours on the table as a significant financial loss as a result of closure and are starting to use this time by calling in sick. Calling in sick issue depletes the financial stores at a greater rate and DMC will not be able to sustain operations as long as predicted if this continues to be an issue. Communications have gone to leaders in dealing with this issue as well as talking points for communication with staff to prevent this from becoming a serious obstacle to caring for patients. | No action required by the Board |
| Richard Stern, Chief of Staff:<br>• None Presented | No action required by the Board |
| Policy, Procedures, Forms:<br>A. Infection Control<br>1. Infection Control Risk Assessment 2014<br>2. Evaluation of 2013 Infection Control Goals<br>3. Infection Control Plan and Goals 2014 | Will be presented at a future meeting for approval |
| Credentials Committee<br>• Credentials Report: April 2014 | Approval |

| MEDICAL STAFF COMMITTEE RECOMMENDATIONS | DATE |
|---|---|
| CREDENTIALS COMMITTEE | April 24, 2014 |
| MEDICAL EXECUTIVE COMMITTEE | May 12, 2014 |
| BOARD OF DIRECTORS APPROVAL | May 28, 2014 |

# DOCTORS MEDICAL CENTER
# CREDENTIALS REPORT
# APRIL 2014

## INITIAL APPOINTMENTS

*The following practitioners have applied for membership and/or clinical privileges at DOCTORS MEDICAL CENTER. This summary includes factors that determine status of membership, licensure, professional liability insurance, required certifications (if applicable), etc. Factors that determine current competence include medical/professional education, training (internship/residencies/fellowship) and experience, board certification (if applicable), current and previous hospital and other institutional affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action.*

| NAME | DEPARTMENT/SPECIALTY | CATEGORY | APPOINTMENT TERM | RECOMMENDATION |
|---|---|---|---|---|
| Gill, Kuldip MD | Med/Family Practice/Internal Medicine | Provisional | 05/28/2014 – 05/27/2016 | Approval |

## PROCTORING REPORTS

*In accordance with Medical Staff Bylaws and Medical Staff Proctoring Policies, the members listed below have satisfactorily completed proctoring requirements as reported below:*

| NAME | DEPARTMENT/SPECIALTY | STATUS OF PROCTORING REQUIREMENTS |
|---|---|---|
| Kiran Narsinh MD | Medicine & Family Practice/GI | Review of 3 proctoring cases.<br>Action: 3 more cases to complete requirements. |

## REAPPOINTMENTS

*The following practitioners have applied for reappointment to the Medical Staff. This summary includes factors that determine membership; licensure, DEA, professional liability insurance, required certifications (if applicable), etc. Qualitative/quantitative factor, developed through on-going professional performance evaluation, include peer review, quality performance, clinical activity, privileges, competence, technical skills, behavior, health, medical records, blood review, medication usage, litigation history, utilization and continuity of care.* ***Membership requirements are met, unless specified below.***

| NAME | DEPARTMENT/SPECIALTY | CATEGORY | REAPPOINTMENT TERM | RECOMMENDATION |
|---|---|---|---|---|
| Shepler, Lewis MD | Medicine & Family Practice/HBO | Active | 07/25/2014 – 04/30/2016 | Approval |
| Yoon, Edward MD | Medicine & Family Practice/Cardiology | Active | 07/25/2014 – 04/30/2016 | Approval |
| Lee, Scott MD | Surgery/Ophthalmology | Active | 07/25/2014 – 04/30/2016 | Approval |

| VOLUNTARY RESIGNATIONS | | |
|---|---|---|
| ***NAME*** | ***DEPARTMENT/SPECIALTY*** | ***EFFECTIVE DATE*** |
| Michael Faer, MD | Medicine & Family Practice/Radiology | April 1, 2014 |
| Jagdish Patel, MD | Medicine & Family Practice/Tele-Radiology | April 1, 2014 |
| Yvonne Sun, MD | Medicine & Family Practice/Radiology | April 1, 2014 |
| Neelima Gandi, MD | Medicine & Family Practice/Internal Medicine | April 1, 2014 |
| Mark Talavera, MD. | Medicine & Family Practice/ Internal Medicine | April 1, 2014 |
| Jaime Singzon, MD | Medicine & Family Practice/ Internal Medicine | April 1, 2014 |
| Xiao Yang, MD | Medicine & Family Practice/Internal Medicine | April 1, 2014 |
| Darrin Lowe, DPM | Surgery/Podiatry | April 1, 2014 |
| H. Michael Jaffin, MD | Surgery/Orthopedic | April 1, 2014 |

| MEDICAL STAFF COMMITTEE RECOMMENDATIONS | DATE |
|---|---|
| CREDENTIALS COMMITTEE | June 5, 2014 |
| MEDICAL EXECUTIVE COMMITTEE | June 9, 2014 |
| BOARD OF DIRECTORS APPROVAL | June 25, 2014 |

# DOCTORS MEDICAL CENTER
# CREDENTIALS REPORT
# MAY 2014

## INITIAL APPOINTMENTS

*The following practitioners have applied for membership and/or clinical privileges at DOCTORS MEDICAL CENTER. This summary includes factors that determine status of membership, licensure, professional liability insurance, required certifications (if applicable), etc. Factors that determine current competence include medical/professional education, training (internship/residencies/fellowship) and experience, board certification (if applicable), current and previous hospital and other institutional affiliations, physical and mental health status, peer references, and past or pending professional disciplinary action.*

| NAME | DEPARTMENT/SPECIALTY | CATEGORY | APPOINTMENT TERM | RECOMMENDATION |
|---|---|---|---|---|
| Marshall, Natalie, MD | Med/Family Practice/Hematology Oncology | Provisional | 06/25/2014 – 06/24/2016 | Approval |

## REAPPOINTMENTS

*The following practitioners have applied for reappointment to the Medical Staff. This summary includes factors that determine membership; licensure, DEA, professional liability insurance, required certifications (if applicable), etc. Qualitative/quantitative factor, developed through on-going professional performance evaluation, include peer review, quality performance, clinical activity, privileges, competence, technical skills, behavior, health, medical records, blood review, medication usage, litigation history, utilization and continuity of care.* ***Membership requirements are met, unless specified below.***

| NAME | DEPARTMENT/SPECIALTY | CATEGORY | REAPPOINTMENT TERM | RECOMMENDATION |
|---|---|---|---|---|
| Haque, Mofiz, MD | Medicine & Family Practice/Internal Medicine | Active | 07/25/2014 – 04/30/2016 | Approval |
| Tufail, Humayun, MD | Medicine & Family Practice/Internal Medicine | Active | 07/25/2014 – 04/30/2016 | Approval |
| Kim, Dong, MD | Medicine & Family Practice/Radiology | Courtesy | 08/26/2014 – 05/31/2016 | Approval- |
| Yu, Thomas, MD | Surgery/Pathology | Courtesy | 07/25/2014 – 04/30/2016 | Approval |

DOCTORS
MEDICAL CENTER

# APPROVAL OF CHANGES TO NUHW CONTRACT

## TAB 6

**RESOLUTION NO. 2014-09**

**RESOLUTION OF THE WEST CONTRA COSTA HEALTHCARE DISTRICT REGARDING THE IMPLEMENTATION OF THE LAST BEST AND FINAL OFFER BY WEST CONTRA COSTA HEALTHCARE DISTRICT TO THE NATIONAL UNIO OF HEALTHCARE WORKERS (NUHW).**

WHEREAS, the West Contra Costa Healthcare District began negotiations with the National Union of Healthcare Workers (NUHW) for a new labor agreement in 2012; and

WHEREAS, the West Contra Costa Healthcare District made the last best and final offer attached hereto as Exhibit A on November 14, 2013, and thereafter formally declared that the parties were at impasse in their negotiations; and

WHEREAS, in response to that declaration of impasse, NUHW requested that the remaining differences between the parties be referred for formal fact-finding pursuant to the Meyers Milias Brown Act; and

WHEREAS, the West Contra Costa Healthcare District and NUHW subsequently participated in such formal fact finding on February 18, 2014, before a three person panel consisting of neutral Chairperson Arbitrator Jerilou Cossack, Employer representative West Contra Costa Healthcare District CFO James Boatman, and NUHW representative Fred Seavey; and

WHEREAS, in April, 2014, the fact finding panel concluded its activities and provided their report and recommendations, which are attached hereto as Exhibit B; and

WHEREAS, the question of whether the Board of Directors of the West Contra Costa Healthcare District should vote to implement the terms of the last best and final offer made on November 14, 2013 with or without any modifications, having been duly noticed for hearing today, Wednesday, June 25, 2014 pursuant to the requirements of the Brown Act; and

WHEREAS, the Board of Directors of the West Contra Costa Healthcare District, having had an adequate opportunity to consider the terms of the last best and final offer, the reports and recommendations of the fact finding panel addressing the remaining differences between the West Contra Costa Healthcare District and NUHW, and public comment and testimony on both;

**NOW THEREFORE, BE IT RESOLVED** by the Board of Directors of the West Contra Costa Healthcare District as follows:

1. That the terms of the Last Best and Final offer made by the West Contra Costa Healthcare District to the National Union of Healthcare Workers (NUHW) on November

14, 2013 should be and hereby are adopted [without modification OR as modified] and shall be implemented effective [insert date].

The Last Best and Final offer and the Reports and Recommendations of the fact finding panel are attached to this resolution as Exhibits A & B.

**PASSED AND ADOPTED** on this _____day of _____, 2014, by the following vote:

Ayes:

Noes:

Absent:

_____

Chair of the Board of Directors

_____

Secretary of the Board
Of Directors

4-13

**Last Best & Final Offer by DMC, November 14, 2013**

# DOCTORS MEDICAL CENTER, SAN PABLO
# AND
# NATIONAL UNION OF HEALTHCARE WORKERS (NUHW)

West Contra Costa Healthcare District DBA/Doctors Medical Center, San Pablo ("the Medical Center"), and NATIONAL UNION OF HEALTHCARE WORKERS (NUHW)are parties to a Memoran um of Understanding commencing on July 20, 2011 and continuing until July 31, 2012. The Medical Center and the National Union of Healthcare Workers (NUHW) have met and resolved to extend the term of the MOU from August 1st 2012 through July 31, 2015. All other terms and conditions of the MOU shall remain in full force and effect except to the extent modified by this agreement.

## AGREEMENT

The term of the Agreement will be from August 1st, 2012 through July 31, 2015.

## WAGE INCREASE
(Effective the 1st payroll after the date of implementation)

**Dates of Implementation**

1% increase will take effect the 1st payroll after ratification by the parties.

## MEDICAL HEALTH BENEFITS

Effective January 1, 2014, the medical health plan benefits will be amended as follows: (See attached schedule). The employer will also offer employees the option to have dental and vision benefits separately. (See attached)

## HEALTH BENEFIT EMPLOYEE CONTRIBUTION

Effective January 1, 2014, the employee health benefits contribution will be amended as follows: (See attached schedule)

## DMC INCENTIVE PLAN

The parties agree to work on goals as discussed during collective bargaining that may result in a 1% paid bonus each year beginning in January 2015. The details of the plan will be determined. (See attached)

**WORKFORCE DEVELOPMENT FUND**
DMC agrees to continue a $50,000 Workforce Development Fund for the education and training of National Union of Healthcare Workers (NUHW).

**Dependent Life Insurance:** The employees will be offered dependent life insurance on a self-paid basis by the employee.

**Retirement Medical Insurance:** The employer will contribute 75.00 toward a Medicare Supplemental insurance. (See attached)

**Section 9, C, Causal Employee:** A casual employee is an employee who works on an intermittent basis or on a predetermined work schedule of less than thirty (30) hours a week. Benefits will only be paid for full-time or part-time employees who work thirty (30) hours or more.

**All other TA's will be added to this agreement**

The parties recognize that the above agreement is subject to ratification by the **National Union of Healthcare Workers (NUHW)** membership and subject to the approval of the Board of West Contra Costa Health Care District.

Dated: _____ _____

For and on behalf National Union of Healthcare Workers (NUHW)

Dated: _____ _____

For and on behalf of Doctors Medical Center, San Pablo

**Purposed Benefit Changes for all Employees:**

- DMC and John Muir will be the only facility in Tier 1, except for Peds and OB/GYN. Pediatrics and OB/GYN will be treated at Tier 1 levels for the following facilities: Alta Bates, Children's (Peds only), John Muir, NorthBay, VacaValley Hospital, UCSF, and Valley Care.
- DMC Physicians & Alliance Providers, Affiliates in Imaging, Quest Diagnostics and LabCorp will continue to be at the Tier 1 level.
- Employee contributions increase - See next page...
- Employees will receive $300 waive credit if they waive all benefits (medical, dental and vision).
- Benefits only for employee's that are regular part time and full time working over 30 hours per week.

**Medical Networks:**

**Tier 1 Provider:**

Doctors Medical Center

John Muir Medical Center

Children's Hospital – Oakland
*The following hospital facility for covered Pediatrics only.*

Affiliates in Imaging
Alliance Imaging
Quest Diagnostics
LabCorp

**Tier 2 Providers:**

Anthem Blue Cross Network Providers

Alta Bates Campus/Oakland, Berkeley

NorthBay Medical center
UCSF Medical Center
VacaValley Hospital
ValleyCare Medical Center

**Tier 3 (Out-of-Network) Providers:**
Providers who are not in the Anthem Blue Cross network

| Current Benefits | Purposed Changes |
| --- | --- |
| Emergency Room | Emergency Room |
| $35.00 All Tiers / No Deductable | $100.00 All Tiers / No Deductable |
| | Waived if admitted |
| **Co-Pays** | **Co-Pays** |
| Office Visit $10.00 T1 &T2 / T3 40% | Office Visit T1 $15.00, T2 $25.00 / T3 40% |
| Specialist $10.00 T1 & T2 / T3 40% | Specialist T1 $25.00, T2 $35.00 / T3 40% |
| **Physical Therapy** | **Physical Therapy** |
| No co-pay Unlimited Visits | No co-pay - Limited to 40 visits per yr |
| **Employee Contributions All Benefits** | **Employee Contributions - All Benefits** |
| Employee Only $10.00 per month | Employee Only $100.00 per month |
| Employee + Child(ren) $10.00 per month | Employee + 1 = $200.00 per month |
| Employee + Spouse or DP $20.00 Per month | Employee + 2 or more $300.00 per month |
| **Prescriptions** | **Prescriptions** |
| Generic $5.00 - Mail order $10.00 | Generic $10.00 - Mail order $20.00 |
| Brand $10.00 - Mail order $20.00 | Brand $20.00 - Mail order $40.00 |
| Non-Brand $35 - Mail Order $70.00 | Non-Brand $40 - Mail Order $80.00 |
| Dental and Vision only | |
| EE only = $15.00 | |
| EE + 1 = $20.00 | |
| EE + 2 or more $25.00 | |
| Out of Network UCR 90% | 80% |

Additional Benefit Choices:

Kaiser Plan – (See attached Benefit Schedule)

**Employee Contributions**

**Low – (Deductible Plan)**

| | |
|---|---|
| Employee Only | $25.00 |
| Employee + 1 | $50.00 |
| Employee + 2 | $100.00 |

**Employee Contributions**

**High**

| | |
|---|---|
| Employee Only | $50.00 |
| Employee + 1 | $100.00 |
| Employee + 2 | $150.00 |

The employer retains the right to terminate the Doctors Medical Center self-insurance plan during the term of this agreement.

## Executive Summary of Final Renewal Considerations

| [illegible] | [illegible] | [illegible] | [illegible] |
|---|---|---|---|
| **Medical** | | | |
| **ACA Mandatory Changes** | Essential Health Benefits | Annual and lifetime limitations such as organ transplants, dollar limitations on skilled nursing facility, etc. | Elimination of all annual and lifetime limitations |
| | Clinical Trials | No coverage for participants with life-threatening illness participating in clinical trials (Tier 2 & 3) | Tier 2 coverage: 20%<br>Tier 3 coverage: 40% (Tier 1 treatment required first) |
| | Mammogram | 1 visit/calendar year with no limitations | Follow WHCR guidelines: 1 baseline age 35-39 and 1 every 1-2 years thereafter |
| **HDHP** | Overall Plan Structure | Maintain current plan, contributions, and Health Savings Account funding | Eliminate of HDHP |
| **PPO** | Emergency Room | Tier 1, 2, and 3: $35 copay; deductible does not apply | Tier 1: $100 copay; Tier 2: $100 copay; Tier 3: $100 copay (copay waived if admitted) -> Note, per ACA In- and Out-of-Network ER services must be the same |
| | Office Visit | Tier 1: $10 copay; Tier 2: $10 copay; Tier 3: 40% after deductible | Tier 1: $15 copay; Tier 2: $25 copay; Tier 3: 40% after deductible |
| | Specialist Office Visit | Tier 1: $10 copay; Tier 2: $10 copay; Tier 3: 40% after deductible | Tier 1: $25 copay; Tier 2: $35 copay; Tier 3: 40% after deductible |
| | Internet Based Services | Not covered | Covered as any other office visit |
| | Calendar Year OOP Max | Per Person/Per Family (3+) | Out-of-Pocket Maximum to follow Deductible structure: Per Person/Per Family (2); Per Family (3+) |
| | Out-of-Network UCR | 90th percentile | 80th percentile |
| | Physical Therapy | No visit limitation | 40 visit limitation (to match chiro/acupuncture) |
| | Autism | Speech therapy developmental delay not covered<br>ABA (Applied Behavior Analysis) therapy not covered | Speech therapy developmental delay covered as any other office visit (up to 12 visits)<br>ABA therapy covered as any other specialist visit (up to 12 visits) |
| | ADD/ADHD | Not covered | Testing covered as any other specialist visit (up to 1 visit) |
| **Prescription Drug** | | | |
| **ACA Mandatory Changes** | Generic/Brand Copay | Cost sharing for the following drugs: Aspirin products, Iron supplements, and Folic Acid products, OTC contraception (women's only) | 100% coverage with prescription (including OTC); Vitamin D, Immunizations/vaccines, Bowel preps, Fluoride, Folic Acid, Iron, Smoking Cessation, Aspirin, and OTC Contraceptives (all drugs to be covered at 100%, including OTC) |
| **Alternate Benefits** | Generic/Brand Copay | Generic: $5 retail/$10 mail; Brand: $10 retail/$20 mail; Non-Preferred Brand: $35 retail/$70 mail | Generic: $10 retail/$20 mail; Brand: $20 retail/$40 mail; Non-Preferred Brand: $40 retail/$80 mail |
| | Drug Control | N/A | Step therapy - Advantage |
| **Dental** | | | |
| | Cleanings | 1 cleaning/6 months | 1 extra cleaning for pregnant women per year (during and after pregnancy) |
| | Lifetime Deductible | $50 individual/$150 family | Maintain current plan |
| **Vision** | | | |
| **Alternate Benefits** | Frame & Lense Coverage | Covered at 100% | Reimbursed up to $300 (combined allowance for Frames & Lenses) |
| | Benefit Frequency | Examination every 12 months<br>Lenses every 12 months<br>Frames every 24 months | Examination every 12 months<br>Lenses every 24 months<br>Frames every 24 months |

11/24/13

**Proposed Benefit Summary**

**Doctors Medical Center**

## Principal Benefits for Kaiser Permanente Traditional Plan (1/1/14—12/31/14)

The Services described below are covered only if all of the following conditions are satisfied:

- The Services are Medically Necessary
- The Services are provided, prescribed, authorized, or directed by a Plan Physician and you receive the Services from Plan Providers inside our Northern California Region Service Area (your Home Region), except where specifically noted to the contrary in the *Evidence of Coverage* (*EOC*) for authorized referrals, hospice care, Emergency Services, Post-Stabilization Care, Out-of-Area Urgent Care, and emergency ambulance Services

| **Annual Out-of-Pocket Maximum for Certain Services** | |
|---|---|
| For Services subject to the maximum, you will not pay any more Cost Share during a calendar year if the Copayments and Coinsurance you pay for those Services add up to one of the following amounts: | |
| For self-only enrollment (a Family of one Member) | $1,500 per calendar year |
| For any one Member in a Family of two or more Members | $1,500 per calendar year |
| For an entire Family of two or more Members | $3,000 per calendar year |
| **Plan Deductible** | None |
| **Lifetime Maximum** | None |
| **Professional Services (Plan Provider office visits)** | **You Pay** |
| Most primary and specialty care consultations, evaluations, and treatment | $15 per visit |
| Routine physical maintenance exams, including well-woman exams | No charge |
| Well-child preventive exams (through age 23 months) | No charge |
| Family planning counseling and consultations | No charge |
| Scheduled prenatal care exams | No charge |
| Eye exams for refraction | No charge |
| Hearing exams | No charge |
| Urgent care consultations, exams, and treatment | $15 per visit |
| Most physical, occupational, and speech therapy | $15 per visit |
| **Outpatient Services** | **You Pay** |
| Outpatient surgery and certain other outpatient procedures | $15 per procedure |
| Allergy injections (including allergy serum) | No charge |
| Most immunizations (including the vaccine) | No charge |
| Most X-rays and laboratory tests | No charge |
| Health education: | |
| Covered individual health education counseling | No charge |
| Covered health education programs | No charge |
| **Hospitalization Services** | **You Pay** |
| Room and board, surgery, anesthesia, X-rays, laboratory tests, and drugs | No charge |
| **Emergency Health Coverage** | **You Pay** |
| Emergency Department visits | $100 per visit |
| Note: This Cost Share does not apply if admitted directly to the hospital as an inpatient for covered Services (see "Hospitalization Services" for inpatient Cost Share). | |
| **Ambulance Services** | **You Pay** |
| Ambulance Services | $50 per trip |
| **Prescription Drug Coverage** | **You Pay** |
| Covered outpatient items in accord with our drug formulary guidelines: | |
| Most generic items at a Plan Pharmacy | $10 for up to a 30-day supply |
| Most generic refills through our mail-order service | $20 for up to a 100-day supply |
| Most brand-name items at a Plan Pharmacy | $20 for up to a 30-day supply |
| Most brand-name refills through our mail-order service | $40 for up to a 100-day supply |
| **Durable Medical Equipment** | **You Pay** |
| Most covered durable medical equipment for home use in accord with our durable medical equipment formulary guidelines | 20% Coinsurance |
| **Mental Health Services** | **You Pay** |
| Inpatient psychiatric hospitalization | No charge |

*(continues)*

11/27/13

## Proposed Benefit Summary

*(continued)*

| | |
|---|---|
| Individual outpatient mental health evaluation and treatment | $15 per visit |
| Group outpatient mental health treatment | $7 per visit |
| **Chemical Dependency Services** | **You Pay** |
| Inpatient detoxification | No charge |
| Individual outpatient chemical dependency evaluation and treatment | $15 per visit |
| Group outpatient chemical dependency treatment | $5 per visit |
| **Home Health Services** | **You Pay** |
| Home health care (up to 100 visits per calendar year) | No charge |
| **Other** | **You Pay** |
| Eyewear purchased at Plan Medical Offices or Plan Optical Sales Offices every 24 months | Amount in excess of $175 Allowance |
| Skilled nursing facility care (up to 100 days per benefit period) | No charge |
| Covered external prosthetic devices, orthotic devices, and ostomy and urological supplies | No charge |
| All Services related to covered infertility treatment | 50% Coinsurance |
| Hospice care | No charge |
| Chiropractic care | $10 per visit, to 40 visit limit |

This is a summary of the most frequently asked-about benefits. This chart does not explain benefits, Cost Share, out-of-pocket maximums, exclusions, or limitations, nor does it list all benefits and Cost Share amounts. For a complete explanation, please refer to the *EOC*. Please note that we provide all benefits required by law (for example, diabetes testing supplies).

11/21/13

**Proposed Benefit Summary**

KAISER PERMANENTE

**Customer Name:** Doctors Medical Center San Pablo
**Customer ID:** Prospect

**Benefit Plan 4432**
**HC2:TYPE HO8; $1500 DED;$20 O P;20% IP;$30/$10RX**

## Principal Benefits for Kaiser Permanente Deductible HMO Plan (1/1/14—12/31/14)

The Services described below are covered only if all of the following conditions are satisfied:

- The Services are Medically Necessary
- The Services are provided, prescribed, authorized, or directed by a Plan Physician and you receive the Services from Plan Providers inside our Northern California Region Service Area (your Home Region), except where specifically noted to the contrary in the *Evidence of Coverage* (*EOC*) for authorized referrals, hospice care, Emergency Services, Post-Stabilization Care, Out-of-Area Urgent Care, and emergency ambulance Services

| Annual Out-of-Pocket Maximum for Certain Services | |
|---|---|
| For Services subject to the maximum, you will not pay any more Cost Share during a calendar year if the Copayments and Coinsurance you pay for those Services, plus all your payments toward the Plan Deductible, add up to one of the following amounts: | |
| For self-only enrollment (a Family of one Member) | $4,000 per calendar year |
| For any one Member in a Family of two or more Members | $4,000 per calendar year |
| For an entire Family of two or more Members | $8,000 per calendar year |

| Plan Deductible for Certain Services | |
|---|---|
| For Services subject to the Plan Deductible, you must pay Charges for Services you receive in a calendar year until you reach one of the following Plan Deductible amounts: | |
| For self-only enrollment (a Family of one Member) | $1,500 per calendar year |
| For any one Member in a Family of two or more Members | $1,500 per calendar year |
| For an entire Family of two or more Members | $3,000 per calendar year |
| **Lifetime Maximum** | None |

| Professional Services (Plan Provider office visits) | You Pay |
|---|---|
| Most primary and specialty care consultations, evaluations, and treatment | $20 per visit (Plan Deductible doesn't apply) |
| Routine physical maintenance exams, including well-woman exams | No charge (Plan Deductible doesn't apply) |
| Well-child preventive exams (through age 23 months) | No charge (Plan Deductible doesn't apply) |
| Family planning counseling and consultations | No charge (Plan Deductible doesn't apply) |
| Scheduled prenatal care exams | No charge (Plan Deductible doesn't apply) |
| Eye exams for refraction | No charge (Plan Deductible doesn't apply) |
| Hearing exams | No charge (Plan Deductible doesn't apply) |
| Urgent care consultations, exams, and treatment | $20 per visit (Plan Deductible doesn't apply) |
| Most physical, occupational, and speech therapy | $20 per visit (Plan Deductible doesn't apply) |

| Outpatient Services | You Pay |
|---|---|
| Outpatient surgery and certain other outpatient procedures | 20% Coinsurance after Plan Deductible |
| Allergy injections (including allergy serum) | No charge (Plan Deductible doesn't apply) |
| Most immunizations (including the vaccine) | No charge (Plan Deductible doesn't apply) |
| Most X-rays and laboratory tests | $10 per encounter (Plan Deductible doesn't apply) |
| Preventive X-rays, screenings, and laboratory tests as described in the *EOC* | No charge (Plan Deductible doesn't apply) |
| MRI, most CT, and PET scans | $50 per procedure (Plan Deductible doesn't apply) |
| Health education: | |
| Covered individual health education counseling | No charge (Plan Deductible doesn't apply) |
| Covered health education programs | No charge (Plan Deductible doesn't apply) |

| Hospitalization Services | You Pay |
|---|---|
| Room and board, surgery, anesthesia, X-rays, laboratory tests, and drugs | 20% Coinsurance after Plan Deductible |

| Emergency Health Coverage | You Pay |
|---|---|
| Emergency Department visits | 20% Coinsurance after Plan Deductible |

| Ambulance Services | You Pay |
|---|---|
| Ambulance Services | $150 per trip (Plan Deductible doesn't apply) |

*(continues)*

11/24/13

## Proposed Benefit Summary

*(continued)*

| Prescription Drug Coverage | You Pay |
|---|---|
| Covered outpatient items in accord with our drug formulary guidelines: | |
| Most generic items at a Plan Pharmacy | $10 for up to a 30-day supply, $20 for a 31- to 60-day supply, or $30 for a 61- to 100-day supply (Plan Deductible doesn't apply) |
| Most generic refills through our mail-order service | $10 for up to a 30-day supply or $20 for a 31- to 100-day supply (Plan Deductible doesn't apply) |
| Most brand-name items at a Plan Pharmacy | $30 for up to a 30-day supply, $60 for a 31- to 60-day supply, or $90 for a 61- to 100-day supply (Plan Deductible doesn't apply) |
| Most brand-name refills through our mail-order service | $30 for up to a 30-day supply or $60 for a 31- to 100-day supply (Plan Deductible doesn't apply) |

| Durable Medical Equipment | You Pay |
|---|---|
| Most covered durable medical equipment for home use in accord with our durable medical equipment formulary guidelines | 20% Coinsurance (Plan Deductible doesn't apply) |

| Mental Health Services | You Pay |
|---|---|
| Inpatient psychiatric hospitalization | 20% Coinsurance after Plan Deductible |
| Individual outpatient mental health evaluation and treatment | $20 per visit (Plan Deductible doesn't apply) |
| Group outpatient mental health treatment | $10 per visit (Plan Deductible doesn't apply) |

| Chemical Dependency Services | You Pay |
|---|---|
| Inpatient detoxification | 20% Coinsurance after Plan Deductible |
| Individual outpatient chemical dependency evaluation and treatment | $20 per visit (Plan Deductible doesn't apply) |
| Group outpatient chemical dependency treatment | $5 per visit (Plan Deductible doesn't apply) |

| Home Health Services | You Pay |
|---|---|
| Home health care (up to 100 visits per calendar year) | No charge (Plan Deductible doesn't apply) |

| Other | You Pay |
|---|---|
| Eyewear purchased at Plan Medical Offices or Plan Optical Sales Offices every 24 months | Amount in excess of $175 Allowance |
| Covered external prosthetic devices, orthotic devices, and ostomy and urological supplies | No charge (Plan Deductible doesn't apply) |
| All Services related to covered infertility treatment | 50% Coinsurance (Plan Deductible doesn't apply) |
| Hospice care | No charge (Plan Deductible doesn't apply) |
| Chiropractic care | $10 per visit, to 40 visit limit (Plan Deductible doesn't apply) |

This is a summary of the most frequently asked-about benefits. This chart does not explain benefits, Cost Share, out-of-pocket maximums, exclusions, or limitations, nor does it list all benefits and Cost Share amounts. For a complete explanation, please refer to the *EOC*. Please note that we provide all benefits required by law (for example, diabetes testing supplies).

**Proposed monthly dues effective: 1/1/14—12/31/14**

DRAFT

Retiree medical for NUHW members:

The Medical Center will transition its Medical Retiree Account effective January 1, 2013 to cover any benefited employee who retires at 65 or after with at least 20 continuous years of service.

The benefit will provide up to $75.00 per month of medical coverage to supplement Medicare benefits. The payment will be paid to the carrier of choice of the employee.

The employer will cease all contributions to the fund.

EXHIBIT 1

# DMC INCENTIVE PLANS

*Improving Our Culture*

**REPRESENTED**

**1%**

**ORGANIZATION – 60%**

**INDIVIDUAL OR DEPARTMENT – 40%**

## TARGET & EXCEEDING

1. **Patient Satisfaction** — 10% - 15% - 20% PER YEAR
2. **Financial Margins**
3. **Healthy Workforce**

**JOINT ACTIVITIES**
**TOOLS & SUPPORT**

Jerilou H. Cossack
Arbitrator / Mediator / Factfinder
925-939-1904
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# FACTFINDING REPORT

| | | |
|---|---|---|
| In the Matter of a Controversy Between | ) | |
| DOCTORS MEDICAL CENTER | ) | |
| Employer | ) | |
| and | ) | PERB CASE No. ??? |
| NATIONAL UNION OF HEALTHCARE WORKERS (NUHW) | ) | |
| | ) | |
| Union | | |

**APPEARANCES:**

For the Employer: Bob Redlo, Vice-President of Patient Relations
Doctors Medical Center
2000 Vale Rd.
San Pablo, CA 94806

For the Union: Brian McNamara, Organizer
National Union of Healthcare Workers
225 W. Broadway, Suite 315
Glendale, CA 91204

In accordance with the requirements of Government Code 3505, a Factfinding Panel was appointed by the Public Employment Relations Board due to the existence of a continuing and unresolved controversy between the Employer and the Union. The following persons were designated as panel members:

James Boatman – Employer Appointed Member
Fred Seavey – Union Appointed Member
Jerilou H. Cossack - Chairperson

The panel met and deliberated in executive session on February 17, 2014. When efforts to settle the matter proved unsuccessful, the panel met on February 18, 2014 and heard testimony on the remaining unresolved issues.

Taking into account all of the evidence and argument as presented by the parties, and the statutory criteria, the panel chairperson recommends as follows:

1. All previous tentative agreements will be honored.

2. The term of agreement will be effective upon ratification and will expire July 31, 2015. (Both parties agreed to this expiration date.)

3. **Wages**

The Employer has proposed a 1% salary schedule increase for all unit employees, effective with the first payroll period after ratification by the parties. In addition, in its November 14, 2013 Last, Best & Final Offer, the Employer proposes an incentive plan based on factors such as patient satisfaction and financial conditions that could result in a 1% bonus in January, 2015. In a subsequent final offer made on the first day of the factfinding process, the Employer withdrew the incentive proposal and instead proposed a 1% pay increase effective January 2015, contingent on the passage of a parcel tax by voters in May 2014.

The Union modified its wage proposal on the first day of the factfinding process. Its proposal for consideration by the panel is a 2% wage increase January 1, 2015, 1%

July 2014, and 1% January 2015. In addition, the Union proposes to implement a wage scale for the first time for Sleep Techs, effective January 2014.

**Recommendation:** The Employer is having serious financial difficulties. It is in the process of going out to stakeholders in the community to seek grants, loans, and other beneficial financial arrangements merely to stay in business. In addition, the voters within the District's geographical boundaries will vote on a parcel tax in May of this year. If the tax passes, it could help keep the doors of this crucial community institution open.

Both parties acknowledge that wages for many classifications within the Union's bargaining unit have fallen well behind that of comparable healthcare facilities. The Union highlights the fact that this bargaining unit has not received several 1% wage increases granted to another unit represented by Public Employees Local One in recent years. However, the Employer points out that the same increases were offered to this unit, but were rejected.

The Union's proposal of a 4% increase over eighteen months, while consistent with comparability and consumer price index increases, does not sufficiently take into account the Employer's dire current financial position.

The formal position of the Employer presented to the panel is the 1% wage increase plus a possible bonus based on unspecified metrics. This bonus proposal seems ill-defined and fraught with possible complications in its interpretation. The other Employer proposal, presented at the beginning of the factfinding process, is more in line with traditional labor relations norms. While the second 1% increase is contingent, it is contingent on a clearly definable "yes or no" vote on the parcel tax. The Employer acknowledges that passage of this tax would significantly improve the medical center's financial health. And, by the parties agreeing to such a provision, there would be an extr incentive for all members of the Doctors Medical Center community to work hard for the passage of the tax.

Therefore, the chairperson's recommendation is to adopt the proposal as put forward by the Employer in its February 17, 2014 last best and final offer: 1% increase first payroll after ratification, and 1% increase January 1, 2015 if the parcel tax passes[1].

**4. Categories of employees**

Currently, unit employees who are regularly scheduled to work twenty hours per week or more are eligible for benefits. The Employer proposes to raise this threshold to thirty hours. The Employer argues that it can no longer afford to pay benefits to employees who work between twenty and thirty hours per week.

The Union proposes the status quo on this issue. The Union argues that every single comparable jurisdiction has a twenty-hour threshold for benefits.

**Recommendation:** The chairperson recommends the status quo on categories of employees, as proposed by the Union. As serious as the financial condition of the Employer is, this permanent deviation from the industry norms might place the Employer at a critical disadvantage in regard to recruitment and retention of vital part-time employees in the NUHW-represented classifications. The Union has offered a concession under the health benefits section that is a positive step toward acknowledging the perceived inequities in part-time employees receiving the same benefits as full-time employees. The adoption of higher premiums for certain categories of part-time workers will begin to address the Employer's concern in the this area.

**5. Health benefits**

Currently, the Employer offers a PPO to all unit members eligible for benefits. Full-time employees pay $10 per month for coverage. Part-time employees receive pro-rated employer contributions, except that part-time employees with three or more years of service receive benefits at the same level as full-time employees.

The parties have agreed to plan design changes in the PPO. They have also agreed to the addition of two Kaiser plan options as an alternative for employees. The

[1] The Union has also proposed the implementation of a pay scale for a newly-represented classification, sleep technicians. The Employer did not agree to this pay scale, but the reasons for its rejection are not evident from the record. The chairperson suggests the parties meet again to attempt to reach agreement on the implementation of a sleep tech pay scale.

remaining dispute is over employee premium share. The Employer proposes the following monthly unit member contributions:

**PPO:**
Employee only: $100
Employee plus one: $200
Employee plus two or more: $300

**Kaiser Low (Deductible Plan)**
Employee only: $25
Employee plus one: $50
Employee plus two or more: $100

**Kaiser High**
Employee only: $50
Employee plus one: $100
Employee plus two or more: $150

The Union proposes the following monthly unit member contributions:

**PPO:**
Employee only: $100
Employee plus one: $200
Employee plus two or more: $300

**Kaiser Low (Deductible Plan)**
Employee only: $10
Employee plus one: $15
Employee plus two or more: $20

**Kaiser High**
Employee only: $20
Employee plus one: $30
Employee plus two or more: $40

While the Union's proposal for PPO co-premiums is the same as the Employer's, the Union's PPO co-premium increases sunset with the expiration of the agreement. The Employer's do not. In addition, the Union proposes that for employees regularly scheduled to work between 20 and 28 hours per week, employee contributions for Kaiser plans be as follows:

**Kaiser Low (Deductible Plan)**
Employee only: $25
Employee plus one: $35
Employee plus two or more: $45

**Kaiser High**

**Kaiser High**

Employee only: $50
Employee plus one: $75
Employee plus two or more: $85

In the Union's proposal, these part-time workers would pay the same employee contribution for the PPO plan as full-time employees pay.

The Employer argues that health care costs have been spiraling out of control in recent years, and driving the Employer's compensation costs to unsustainable levels.

The Union asserts that it acknowledges that the Employer needs relief from benefit costs, and has made a proposal that would save the Employer about one million dollars per year. The Union also proposes that the PPO increase sunset because that was agreed to by the Employer with the Local One unit. Finally, the Union argues that it has made a large step toward addressing the Employer's concern about part-time workers' benefits by proposing higher employee premium share for these unit members.

**Recommendation:** The chairperson recommends the Union's health benefit proposal. It is understandable that the Employer is seeking to raise employee contributions from the current $10 per month. However, the out-of-pocket employee contribution increase the Employer is seeking, even for the most affordable plan, is too drastic. The Union's proposal makes significant concessions on health benefits, including taking a step toward correcting an inequitable structure that currently favors part-time employment.

The one portion of the Union's health benefit proposal the chairperson does not recommend is the sunset provision. If this clause were to be agreed to, the Employer would not be able to budget these attained savings going forward past July 2015. And the Local One sunset provision was no doubt attained in exchange for other concessions not contemplated in this package recommendation.

**6. Retiree medical benefits**

The parties currently have a side letter on retiree health that establishes a Medical Reimbursement Account. The employer contributes 1% of payroll annually into this account for eligible unit members.

The Employer proposes to phase this out and substitute a $75 per month contribution toward a Medicare supplement for eligible retired unit members. The Union agrees with this proposal subject to legal review, but proposes that any employee who has retired and met the criteria of the previous retiree health fund will be able to access the funds allocated for them.

The record of the factfinding hearing was not sufficient for the chairperson to make a recommendation on this issue. Therefore, the chairperson recommends that the parties continue to explore the transition of their retiree health plan with the assistance of legal counsel.

## Conclusion

The parties worked hard during the factfinding process to attempt to reach an agreement. The undersigned urges the parties to continue these efforts. These are a critical few months for the Employer and its employees. Having a labor agreement in place could serve as the basis for further cooperation between the parties in their efforts to save this important community healthcare facility. The chairperson hopes that this report assists the parties in reaching this goal.

Respectfully submitted,
Jerilou H. Cossack
Factfinding Panel Chairperson

Submitted this th Day of March 2014
Lafayette, California

James Boatman
On Behalf of the Employer

I concur_____
I dissent_____

Date:_____

**Fred Seavey**
**On behalf of the Union**

**I concur_____**
**I dissent_____**

**Date:_____**

DOCTORS
MEDICAL CENTER

Doctor's Medical Center and NUHW
Case No. SF-IM-137-M

Doctors Medical Center Representative to the Factfinding Panel
James Boatman

Concurring and Dissenting Opinion to the Findings of Fact and Recommended Terms of Settlement:

As a representative for Doctors Medical Center to the Factfinding Panel, I concur with some portions of the recommendation and dissent with others. I am providing the following opinion.

**Concurrence:**
I concur with the recommendations of Panel Chairperson Cossack on the following matters:

1) All previous tentative agreements will be honored.

2) The term of the agreement will be effective upon ratification and will expire July 31, 2015.

3) **Wages:** The wage recommendation of 1%increase the first payroll after ratification and 1% increase January 1st 2015 if the parcel tax passes.

**Dissent:**
I respectfully dissent from the following recommendations and make the following recommendations:

4) **Categories of employees**: I recommend that the employer move to the same program that it has instituted for its two other unions represented by Local One and for its non-union employees. For employees hired before April 1st, 2014, the threshold for benefits would be 28 hours with the understanding that on a one-time basis, the employer would work with the union if the department budget permits, to raise employees who choose to work more hours up to 28 hours. After April 1st, the threshold for benefits would be 30 hours.

5) **Health Benefits**: I recommend the employer's last best and final offer. The employer is offering a low cost plan which includes dental and vision for those employees that cannot afford Cadillac benefits. The Kaiser High plan offers very similar benefits as the PPO plan at one /half the cost to the employee. The employer's premiums have doubled over the last five years and the amount of employee contribution may not even cover the increases in premiums over the next two years. Both units of Local One have voluntarily accepted the new rates in February, 2014 and all non-union employees pay the same rates. I agree with Chairperson's Cossacks recommendation that there should be no sunset provision.

6) **Retiree Medical Benefits**: I recommend that we follow the agreement worked out at the mediation session by the parties at the first day of Factfinding. The language of the agreement would be the employers last best and final language with the additional language recommended by the union that the employer would send a letter to the last known address of any employee who qualified as being retired, and met the criteria of the fund, that they could access the remaining funds in the fund that may be allocated to them.

Respectfully Submitted,

James Boatman

James Boatman
March 19, 2014

NUHW
NATIONAL UNION OF HEALTHCARE WORKERS
www.NUHW.org • 866.968.NUHW (6849)

April 4, 2014

Jerilou H. Cossack, Arbitrator
3231 Quandt Road
Lafayette, CA 94549

James Boatman, CFO
Doctors Medical Center San Pablo
2000 Vale Road
San Pablo, CA 94806

RE: FACTFINDING REPORT IN THE MATTER OF DOCTORS MEDICAL CENTER SAN PABLO AND NATIONAL UNION OF HEALTHCARE WORKERS (NUHW)

Dear Ms. Cossack:

I am the NUHW-appointed member of the Factfinding Panel that met on February 17-18 to consider the above-referenced matter. I have reviewed your draft Factfinding Report dated March 18, 2014 and am submitting the following opinion that both concurs and dissents with recommendations contained in your report.

**Items 1, 2 and 4:**

I concur with your recommendations on Items 1, 2, and 4.

With respect to Item 4 ("Categories of Employees"), you recommended that the parties maintain their current contractual standard that specifies that employees who are regularly scheduled to work 20 hours per week or more shall be eligible for benefits. As your report notes, every single comparable jurisdiction has a similar twenty-hour threshold for benefit eligibility.

**Item 5:**

With respect to Item 5 ("Health Benefits"), I concur with the bulk of your recommendation and urge you to reconsider your position on one issue. Specifically, I concur with your recommendation that the parties adopt NUHW's health benefit proposal regarding plan design. As you noted, this proposal represents a significant sacrifice on the part of NUHW's members who will face increasing costs and reduced accessibility of services. Due to the changed benefit design and cost structure, NUHW's members will not only experience an increased cost burden but will lose access to the facilities and doctors from whom they and their families currently receive care. The impact of these changes cannot be overemphasized.

I dissent with, and ask you to reconsider your recommendation on, the sunset provision as it relates to the changes in the DMC Health Plan. You argue that a sunset provision would be burdensome for the Employer. However, the Employer has already accepted an identical sunset provision in a recently adopted Collective Bargaining Agreement (CBA) with a second union that also represents employees at Doctors Medical Center San Pablo: namely, Public Employee Union Local 1. Given this circumstance, NUHW's proposal for a sunset provision would not be overly burdensome to the Employer and, furthermore, would serve to create more equitable circumstances and compensation among the Employer's employees. I urge you to reconsider your position on this matter.

**Item 3:**

With respect to Item 3 ("Wages"), I dissent with, and ask you to reconsider your recommendation on, wage increases.

While all of the parties recognize the Employer's challenging financial circumstances, it also is important to consider (a) the financial circumstances of employees and their families, (b) the Employer's practices with respect to providing wage increases to other units of employees at the hospital and (c) the comparability of the Employer's wages with those of other public-sector hospitals in the region.

As the Union noted in its presentation, NUHW's members have received a total pay increase of only 1.7% during the past five years. When adjusted for inflation, NUHW members' wages have declined by 9.2% during this period. Meanwhile, the Employer's financial circumstances have been sufficiently sound to enable it to provide much larger pay increases to two other units of the Employer's employees. Specifically, the employer provided pay increases of at least 8% and 11.5% to members of Local 1 and the CNA, respectively, during this same time period.

Additionally, NUHW presented data during the factfinding process indicating that NUHW members' wage rates are far below those of other area public-sector hospitals. For example, NUHW members' wage rates are as much as 16% lower than the average wage rates for identical classifications at nearby public-sector hospitals. NUHW also noted that when total compensation is considered (that is, including health benefits, retirement, retiree health benefits, etc.), they Employer is even further behind the existing compensation levels of other public-sector hospitals in the region.

In its presentation, NUHW noted that it does not seek to bridge the entire wage gap during these negotiations due to the hospital's challenging financial circumstances. Instead, NUHW's wage proposal is modest and seeks a 2% pay increase in January 2014, 1% in July 2014, and 1% in January 2015.

The Employer will achieve substantial financial savings from benefit changes and other changes that you have recommended. I urge you to consider the economic impact of these changes on employees and their families and to distribute some of the Employer's savings to employees by recommending improved wage increases.

Your recommendation for a 1% wage increase in January 2015 that's contingent upon the passage of a parcel tax is certainly better than the Employer's initial proposal of an ill-defined bonus. However, it is important to note that the passage of a parcel tax would generate an estimated $20 million a year in additional revenues for the Employer, thereby providing sufficient resources to provide much more than a 1% raise.

For these reasons, I dissent with your recommendation regarding wages.

**Other Items:**

You may recall that there are three additional contract language issues where the parties were in dispute at the commencement of the factfinding process. These issues were not discussed at length during the presentations but were discussed in the beginning of the factfinding process. As I recall, the Employer indicated a willingness to accept the Union's proposals in these areas during informal discussions but did not formally amend its proposals. These issues were not addressed in your Factfinding Report and I would like to know what, if any, recommendation you have on them.

These three contract language issues are;

> The Union's proposal to add the following language to Section 6 (Hours of Work) in order to codify what has been the Employer's long-standing practice: "Employees who are regularly scheduled to work 12-hour shifts will receive overtime for all hours worked in excess of 36 hours in a work week."
>
> The Union's proposal to remove the following statement from Section 6 (Hours of Work): "Any remedy for violation of this Section shall be prospective only." Both the Union and the Employer appeared to agree that this language is confusing and is not intended to prevent a remedy to a grievance filed over a violation of this section. I think the parties believed that this sentence was a remnant from when language was crafted several decades ago and was intended to mean prospective from the date the language was accepted.
>
> The Union's proposal to add the following language to Section 23 (Seniority), Subsection B (Posting and Filling of Vacancies): "For the purpose of this section, an employee who is on a layoff or has had their FTE status reduced as part of a reduction in force will be treated at the status they occupied before the layoff/reduction provided that such employee meets the qualifications of the classification."

Finally, the Union proposed that it have the right to take any outstanding grievances that have occurred since the expiration of the contract to final and binding arbitration upon settlement of the contract. This issue was not addressed in your Factfinding Report and I believe this is another issue over which the parties were in agreement informally but for which the Employer did not formally amend its position. I request that you inform the parties of what, if any, recommendation you intend to make on these contract language issues.

I thank you for your time and your consideration of my aforementioned recommendations.

Sincerely,

Fred Seavey