



## Frequently Asked Questions – Tentative National Agreement and Local Problem-Solving

### Term of Agreement: 3-Year Agreement

- **What happens to the local agreements?** The local collective bargaining agreements do not expire until 2016. If the membership ratifies the National Agreement, the local agreements will be extended by three years.

**Wages:** 2% 10/2015; 2% 10/2016; 2% 10/2017; 1% 9/2018.

- **Why did Colorado receive less of a wage increase than California?** UFCW Local 7 strongly advocated for wage increases on par with California. This was the chief reason we put our thumbs down at national negotiations. The company asserts that they need to have lower wage increases to remain competitive, and California achieves a much greater margin than Colorado. The union's position is that because of rapid membership growth, short staffing, rising inflation for all consumers in Colorado, and rising housing and rent costs, all Colorado union-represented staff should have received the same wage increase percentages as California. We were unsuccessful at obtaining wage increase parity, though we achieved our other goals.

**Tuition Reimbursement:** \$3,000 per year for all benefit-eligible employees after 90 days employment.

- **What is the change from the current amount?** The local agreement provides a maximum of \$1,440 for those with five or more years of service. The new National Agreement will more than double that amount and make those who complete 90 days eligible for the full amount. Currently 6 mos of employment must be completed to be eligible.
- **When does this change go into effect?** Because tuition reimbursement is on a calendar year, the new amount will go into effect starting on January 1, 2016.

**More flexibility in what Tuition Reimbursement can be used for.** \$500 of Tuition Reimbursement may be used for the following expenses: travel; room/lodging (excluding meals) for courses; workshops, seminars, professional conferences, educational meetings; special events taken/attended for continuing education to advance skills, maintain or obtain position-required licensure/certification, provided they are taken at an accredited institution, professional society, or gov't agency.

- **How does tuition reimbursement and continuing education expenses relate?** Under the National Agreement you can coordinate the use of tuition reimbursement and continuing education. Traditionally, you could not use TR for travel or transportation.

**Dental and child orthodontia benefits each increased to \$1,500 from \$1,200.**

- **What is the child orthodontia benefit?** The child orthodontia benefit is not recharged each year. The \$1,500 benefit may be used once and is not replenished. This is how the current benefit works as well. We negotiated an increase in the amount.

**Pension intact – no changes.** Group to meet to discuss and to provide consensus decision regarding retirement income before the next round of bargaining.

- **What does it mean that a group will meet to discuss retiree income?** The group will act by consensus and present their recommendations at the next round of national bargaining. This means that the parties will have transparency in the data shared. ***UFCW Local 7 remains committed to keeping the excellent pension benefit we have and to enhance retiree income going forward.***

**Active Health – No Changes Except the Point of Service Insurance coverage is eliminated and Emergency Department Co-pays were increased from \$50 to \$100.**

- **What is the impact of the POS insurance option elimination?** UFCW Local 7 has less than 15 members who utilize the POS option. It is very expensive for the company to administer, and the company was intent on eliminating this option in order to come to agreement on the overall agreement.
- **Why did we agree to increase the ED co-pay to \$100?** The company proposed an increase in a whole suite of co-pays beyond the ED co-pay. However, UFCW Local 7 members are low utilizers of EDs for inappropriate purposes. Consistent with the current benefit, you will not be required to pay the ED co-pay if you are admitted. While Local 7 was not in favor of increasing the ED co-pays, this was crucial for the overall agreement, and we were able to avoid an increase in co-pays on other services. My understanding is that the company wants to curb the inappropriate use of emergency departments.

**ACA Excise (“Cadillac”) Tax** – The parties will meet and act by consensus to determine path for KP to avoid the ACA excise tax.

- **What is the Cadillac Tax?** The Affordable Care Act imposes an excise tax on health plans that have a very high actuarial value, which is currently set to go into place in 2018.
- **Will UFCW Local 7-represented KP employees be subject to the excise tax?** At this point we do not know. First, powerful political interests seek to eliminate the excise tax. Second, we are unaware at this point whether the health plan of our membership would be subject to the excise tax.
- **Why did the company make this a requirement to achieving an economic deal at national bargaining?** The excise tax applies to high cost health plans, the cost of which would ultimately be passed onto Kaiser customers, since Kaiser would be the one to pay the excise tax on employees’ behalf. The unions were informed that this creates an issue for other Kaiser customers, who do not want to pay an excise tax for Kaiser employees whose benefits are superior to the majority of plans they offer.

- **What will the union do to preserve Local 7 benefits?** UFCW Local 7 leaders will be engaged in the process to determine whether our plan will even be subject to the tax. This will require a very transparent sharing of available information and data. Further, we will be seeking to ensure that the tax will not go into place by working with federal legislators. Finally, should our plan be subject to such a tax we will advocate strongly for our members' interests and keep you informed throughout the process.

**Flu Shot** – Effective 10/1/2015 all employees required to take a flu shot or wear a mask when in patient care settings during the flu season.

- **Why did we agree to the mandatory flu shot?** UFCW Local 7 does not support mandatory flu shots. We have always maintained that the flu shots should be voluntary in order to protect our members who have allergies as well as those who have religious and other objections to the shot. Currently over 70% of our members voluntarily take the flu shot. Nevertheless, the Company was adamant about the mandatory flu shot or mask policy in order to reach a total agreement at national bargaining.
- **Who will the vaccination requirement apply to?** Union-represented employees working in medical office buildings will be required to take a flu vaccination, not those who work in administrative buildings like Waterpark I in the call center or other administrative locations.
- **When will the requirement be effective?** Employees will be required to vaccinate no later than November 15, 2015.
- **What happens if the employee declines to take a flu vaccination?** The employee will be required to wear a mask while she/he is in direct contact with patients. This does not mean an employee who is working in clinical department will be required to wear a mask all day long. Rather, the employee will be required to wear a mask while the employee is in direct contact with patients (e.g., not necessarily while the employee is performing in-basket work or phone calls in the workstation).
- **How will the employee demonstrate that she/he has taken the flu shot?** The employee may provide proof in any of the following ways: 1) request documentation from the PCP that the flu shot was taken; 2) log onto KP.org account and print verification of immunizations (the employee may redact or mark over any information that she/he would not like reflected in the documentation provided to the manager) (**IMPORTANT NOTE:** do not access your medical record through healthconnect as this could be considered a HIPAA violation; 3) provide a receipt to the manager from the vaccination.
- **What should the employee do once she/he has taken the flu shot?** Employees will be provided with a discrete sticker to be worn on the employee badge, which will simply reflect something to the effect of "KP2015."

**Ben Hudnall and SEIU Trusts' employer funding increased from .3% to .4% of payroll.** Additional \$3M contributed to BHMT annually. Additional \$1M in BHMT for training for redeployment scenarios.

- **How much were the funding increases by dollar amount?** The increases amount to approximately \$25M for all of the above line items.

- **What is the Ben Hudnall Memorial Trust?** The BHMT is a union-negotiated educational trust that is jointly administered by union and management leaders. The Trust provides career counseling, educational resources, training, and funding for educational programs to support union members' maintenance and advancement in their careers. If you are interested in learning more about the Trust please visit <http://benhudnallmemorialtrust.org>.
- **What is redeployment?** Redeployment is the process employees are subject to when their jobs are eliminated. One of the excellent agreements we have is the Employment and Income Security Agreement, which is an industry-leading agreement that guarantees an employee a year of pay and benefits when and if her/his job is eliminated. The agreement has resulted in permanent placements within Kaiser for every Local 7 member who has gone through job elimination and reorganization that wanted to stay with Kaiser. I know of no agreement like this in the United States.

### Retiree Health

- **Basics.** Assuming you meet the eligibility rules for retiree health, if you retire before 1/1/2017, the currently existing plan will apply to you and your dependents. If you retire on or after 1/1/2017, you will be on the **core** market-available **KP Senior advantage** plan at age 65. Sample: <https://medicare.kaiserpermanente.org/wps/portal/medicare/plans/explore/descriptions/noco>. You will also have a **health reimbursement account** placed on a debit card amounting to \$2000 per year of service. Example: 30 years of service, you would receive \$60K in the HRA. The HRA would be utilized to pay for copayments; the HRA may be used for premiums to buy a richer plan. Also, Colorado retirees will receive a **premium subsidy** of \$80 per month for the retiree and spouse and increases each year. Currently, there is no premium for the core plan.
- **Is the plan going into effect in January 2017 better or worse than the current plan for Local 7 members?** The plan will be the same or better for the vast majority of Local 7 retirees. Whether the plan is better for you as an individual cannot be predicted. It will depend upon your utilization of medical services in retirement.
- **Does the retiree health redesign affect the eligibility rules?** No. You are still eligible if you meet either of the following two rules: age at the time of retirement plus years of service equals seventy-five, or you are fifty-five years old at the time of retirement and you have at least fifteen years of service with the company.
- **Does the retiree health changes affect the age at which you receive a retiree health benefit?** No. You do not receive a retiree health benefit until you turn 65 years of age under the current and redesigned plans.
- **Why did the company agree to this plan?** The crux of the company's issue was liability accounting. According to the actuarial rules, this new plan will significantly decrease liability for the company going forward.
- **What happens to non-medicare eligible dependents of the retiree?** The employee would be subject to the same cost-share in existence for pre-2017 retirees, meaning the retiree would pay a portion of the premium for those retiring with less than 25 years of service.
- **Can a retiree pay for KPSA plan premiums using the Health Reimbursement Account?** Yes.

- **Do pharmaceuticals contribute to the annual out-of-pocket max?** No. Pharmaceuticals do not contribute to the annual out-of-pocket max.
- **If you have a break in service as regular employee and returned to work as a regular employee, do all years of service count toward retiree health eligibility and towards the HRA amount?** Yes. For example, if you worked twenty years as a regular employee, quit employment for seven years, and then you have worked for Kaiser for another 7 years, all of those years would contribute to retiree health eligibility and the HRA amount. In this example, the employee would have 27 years of service and would be eligible for \$54,000 in an HRA.
- **Will the newly negotiated and ratified retiree health plan change again in the future?** The unions and the company negotiated a retiree health solution that both seeks to provide a benefit to retirees that is just as good as the one that current retirees receive, and that would solve the company's issue related to its accounting of liability. The plan meets both aims. It is a durable solution that will likely remain intact for a long time. That said, either party may raise the topic of retiree health benefits during any future negotiations.
- **If you move to California or another Kaiser region and work for Kaiser, what retiree health plan would you receive, assuming you meet eligibility?** You would receive the retiree health benefit applicable to the region in question. In California, the newly negotiated retiree health plan would not take effect except for those who retire on or after 2028. Thus, if you successfully bid on a position in California and meet the eligibility rules, you retire before 2028, you would retire under California's current retiree health plan.
- **Is there a minimum years of service requirement under the golden rule of seventy-five eligibility rule?** See the prior FAQs for the general rules on retiree health eligibility. There is no minimum years of service requirement under the golden rule of seventy-five. For example, if an employee retires at age sixty-six with ten years of service, the employee's age plus years of service is greater than or equal to seventy-five. Therefore, the employee would be eligible for a retiree health benefit. The amount of the benefit would of course differ under the newly negotiated retiree health plan, which goes into effect for all of those who retire on or after January 1, 2017.

### **Health Care Spending Account**

- When can you make your election to participate in the voluntary health care savings account? You make the election in 2015 for the 2016 plan year.
- Can you change your election amount for the 2015 plan year? No.
- The summary plan description states that the max HCSA amount is \$3000. Why has this changed? The HCSA max contribution amount is governed in part by the internal revenue code and regulations. The maximum amount decreased during the life of our last contract, and we negotiated that the max amount would increase to the amount permitted under the law going forward.

### Local Problem-Solving

**How do I get a nine-hour shift?** The new 9-hour shift language tracks the 10- and 12-hour shift language; you must obtain the agreement from your supervisor. If the supervisor does not agree to allow it, you will not be permitted to have a 9-hour shift. Similarly, the company cannot require you to take a 9-hour shift.

**How does the distant traveler premium work?** You receive a \$50 premium if you drive during your commute to and from work a total of or more than 100 miles from the employee's home clinic.