

DECISION AND AWARD

In the Matter of a Controversy between

The Coalition of Kaiser Permanente Unions

And

Kaiser Permanente

Re: Section 2.B.2.h National Agreement

For the Employer:

**Robert Spagat
Vice President and Assistant General Counsel
Kaiser Permanente**

For the Union:

**Hal Ruddick
Executive Director
Coalition of Kaiser Permanente Unions**

Arbitration Panel:

**David A. Weinberg- Neutral Arbitrator
Bill Rouse- Coalition/ UNACUHCP
Nate Bernstein-Coalition/UFCW Local 7
Arlene F. Peasnell-Kaiser Permanente
Michael D. Rowe-Kaiser Permanente**

PROCEDURAL BACKGROUND

Pursuant to the National Collective Bargaining Agreement between The Coalition of Kaiser Permanente Unions and Kaiser Permanente, the parties selected David A. Weinberg as the Neutral Panel Arbitrator in the above referenced case. The parties each selected two respective panel members in accordance with Section 2.C of the National Agreement. During the course of the hearing, the Arbitrator afforded both parties full opportunity for the presentation of evidence and oral argument, along with a discussion of mutual interests and concerns. The parties stipulated the matter is properly before the Arbitrator for resolution, and that jurisdiction may be retained to resolve any disputes over the meaning or application of the Decision and Award.

As a result of a dispute between the Parties, KP and the CKPU held a dispute resolution panel under Section 2.C of the 2015-2018 National Agreement on September 29/30, 2016 to resolve retiree medical eligibility post-retirement and re-retirement as it relates to Section 2.B.2.h, Retiree Medical Benefits of the National Agreement in circumstances where employees return to work after retiring with eligibility for retiree medical benefits. Section 2.B.2.h of the National Agreement is clarified as follows:

CALIFORNIA

RETIRE PRE-2017

As provided in the National Agreement, for California employees who retire before January 1, 2017 with eligibility for retiree medical benefits, the existing retiree medical plans, including Employer contribution rates or cost-share, shall remain the same. Retiree medical benefits, including co-payments and out-of-pocket maximums, for retirees

in a KP service area shall be the same as the active medical benefits and cost-sharing features at the time the retiree initially enrolls in the KP retiree medical plan.

If an employee is rehired in a non-benefited position after retiring with eligibility for retiree medical benefits **but before** commencing their retiree medical benefit, the employee will maintain their eligibility to enroll in the retiree medical benefit for which they were first eligible to enroll.

If an employee is rehired after they retire with eligibility for retiree medical benefits **and after** commencing their retiree medical benefit, the employee's ability to maintain retiree medical benefit coverage will depend on the position status, benefited or non-benefited, in which they are rehired. **Benefited position** - If an employee is rehired into a benefited position, their retiree medical benefit will be replaced by active medical benefits while working. Once the employee re-retires from their benefited position, the retiree medical benefits the employee is offered will be the retiree medical benefits in effect on the date they re-retire and for the employee group from which they re-retire. **Non-benefited position** - If an employee is rehired into a non-benefited position, the employee will maintain coverage under their retiree medical benefit and when the employee re-retires they shall also maintain coverage under the same retiree medical benefit.

RETIRE POST-2016

As provided in the National Agreement, for California employees who retire on or after January 1, 2017, the employees shall be covered by the Medical Premium Subsidy/HRA Plan effective in 2028 or, if later, when the net cost in either region exceeds the Fixed Amount defined in Section 2.B.2.h.5 of the National Agreement. Before the Medical Premium Subsidy/HRA Plan becomes effective, retiree medical benefits, including

co-payments and out-of-pocket maximums, for retirees in a KP service area shall be the same as the active medical benefits and cost-sharing features at the time the retiree initially enrolls in the KP retiree medical plan.

If an employee is rehired in a non-benefited position after retiring with eligibility for retiree medical benefits **but before** commencing their retiree medical benefit, the employee will maintain their eligibility to enroll in the retiree medical benefit for which they were first eligible to enroll.

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REGIONS OUTSIDE OF CALIFORNIA (ROC), including Northwest, Colorado, Hawaii, Mid-Atlantic States and Georgia

RETIRE PRE-2017

As provided in the National Agreement, for ROC employees who retire before January 1, 2017 with eligibility for retiree medical benefits, the existing retiree medical plans, including Employer contribution rates or cost-share, shall remain the same. Retiree medical benefits, including co-payments and out-of-pocket maximums, for retirees in a KP service area shall be the same as the active medical benefits and cost-sharing features at the time the retiree initially enrolls in the KP retiree medical plan.

If an employee is rehired in a non-benefited position after retiring with eligibility for retiree medical benefits **but before** commencing their retiree medical benefit, the employee will maintain their eligibility to enroll in the retiree medical benefit for which they were first eligible to enroll.

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will maintain coverage under their retiree medical benefit and when the employee re-retires they shall also maintain coverage under the same retiree medical benefit.

RETIRE POST-2016

As provided in the National Agreement, ROC employees who retire on or after January 1, 2017, the employees shall be covered by the Medical Premium Subsidy/HRA Plan (see Section 2.B.2.h.1 of the National Agreement).

If an employee is rehired in a non-benefited position after retiring with eligibility for retiree medical benefits **but before** commencing their retiree medical benefit, the employee will maintain their eligibility to enroll in the retiree medical benefit for which they were first eligible to enroll.

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RETIRE PRE 2017				
	REHIRED - BENEFITED POSITION		REHIRED – NON-BENEFITED POSITION	
	While working	On Re-Retirement	While working	On Re-Retirement
California	Active Plan	Post 2016 Plan	Pre 2017 Plan	Pre 2017 Plan
ROC	Active Plan	Post 2016 Plan	Pre 2017 Plan	Pre 2017 Plan
RETIRE POST 2016				
	REHIRED - BENEFITED POSITION		REHIRED – NON-BENEFITED POSITION	
	While working	On Re-Retirement	While working	On Re-Retirement
California	Active Plan	Post 2016 Plan	Post 2016 Plan w/regulatory restrictions on/after 2028	Post 2016 Plan
ROC	Active Plan	Post 2016 Plan	Post 2016 Plan w/regulatory restrictions	Post 2016 Plan

David A. Weinberg, Neutral Chair

Bill Rouse, CKPU Panel Member

Nate Bernstein, CKPU Panel Member

Arlene F. Peasnell, Kaiser Panel Member

Michael D. Rowe, Kaiser Panel Member

Dated October 4, 2016







