

Letter of Understanding

Between

**Kaiser Foundation Health Plan of Colorado and
Colorado Permanente Medical Group, P.C. ("the Company")**

And

**United Food and Commercial Workers, Local Number 7
("the Union" or "Local 7")**

Non-Precedent Setting Agreement. This agreement in its entirety is entered into between the parties on a non-precedent setting basis.

Background and Agreement. The parties seek to improve the pager pay for pharmacists throughout the KPCO region to meeting changing hours of operations and comparable compensation with the community. As such, the parties modify the multi-professional bargaining unit contract, Article 11, section 6 as follows:

Section 6. Pager Unit/On-Call Premium for all Local 7-Represented Pharmacists

- A. Local 7-Represented Pharmacists who are required to carry a pager unit or remain on-call during off duty hours to provide afterhours care on a case-by-case shall receive premium pay as set forth below:

Weekend Coverage \$75 for Each of the Following Shifts

Saturday – 8:00AM or start of business to Sunday 8:00AM or Sunday start of business

Sunday – 8:00AM or start of business to Monday 8:00AM or Monday start of business

Weekday Coverage \$50.00

Monday through Friday - Close of business to start of business the following day

National Holiday Coverage \$150.00 per holiday

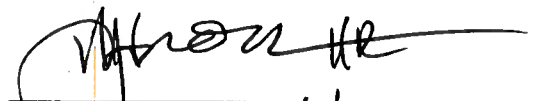
Close of business the day before the holiday to start of business the day after the holiday.

- B. Premium pay hours as specified by the supervisor for on-call duty shall not be reduced if the employee is called in.
- C. When called into the facility, pay for hours actually worked shall be at time and one-half of the employee's regular straight-time rate of pay, including any premiums which may apply. For the purposes of this section, time worked shall begin when the employee arrives at the facility to which he/she was called and shall end when the employee leaves the facility. The Reporting Pay provision in the Labor Agreement is waived when this pay provision is invoked. If a pharmacist is called back to work after completion of a normal workday, he/she

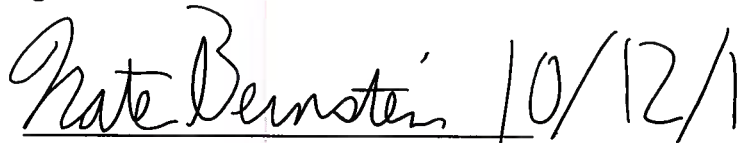
shall receive not less than two (2) hours of pay at his/her regular straight time rate of pay, or the appropriate premium pay. Such pay shall begin at the time the pharmacist commences work.

- D. When required to perform work at outside of the work area, employees will be compensated in 15 minute increments. An employee doing any amount of work will be paid 15 minutes for cumulative work done in a 15 minute period. If the work requires more than 15 minutes, the next 15 minute increment of pay will apply. For example, work that takes 15 minutes or less will be paid 15 minutes. Work that takes 16 to 30 minutes will be paid 30 minutes and so forth. Straight time or overtime will be paid as applicable.
- E. Employees who do not respond to a call in a timely manner as determined by the Employer or are unavailable for work shall forfeit premium pay for the duration of the assigned period.
- F. Pager unit/on-call hours shall not count as time worked for purposes of computing overtime for work performed later in the same payroll week.
- G. If an employee is called in to work after completing his/her scheduled shift, pager unit/on-call hours shall count for purposes of determining his/her eligibility for shift premium pay for actual work time.

Modifications of Collective Bargaining Agreement. This agreement modifies only the portion of the collective bargaining agreement mentioned above. It is explicitly understood that all other sections and provisions of the contract shall not be modified by this agreement. It shall not be cited or referred to in any legal proceeding except for the sole purpose of this agreement's enforcement.



For the Company 11/2/17 Date



For the Union 10/12/17 Date