

DENTONS US LLP 601 SOUTH FIGUEROA STREET, SUITE 2500 LOS ANGELES, CALIFORNIA 90017-5704 (213) 623-9300

PLEASE TAKE NOTICE that, at the above-referenced date, time and location, Verity Health System of California, Inc., a California nonprofit benefit corporation and the Debtor herein ("VHS"), and the above-referenced affiliated debtors, the debtors and debtors in possession in the above-captioned chapter 11 bankruptcy cases (collectively, the "Debtors"), will move (the "Motion"), pursuant to §§ 363, 365, and 1113 of the Bankruptcy Code, and Rules 9007 and 9014 for the entry of an order modifying the Collective Bargaining Agreement between Service Employees International Union-United Healthcare Workers—West ("SEIU"), and O'Connor Hospital ("OCH"), Saint Louise Regional Hospital ("SLRH"), St. Francis Medical Center ("SFMC") and St. Vincent Medical Center ("SVMC"), which expires October 31, 2021 (the "SEIU CBA"), so as to remove and terminate all terms related to SLRH and OCH (collectively referred to herein as the "Hospitals"), to be effective upon the "Closing" (as that term is defined in the Asset Purchase Agreement dated October 1, 2018 (the "APA") [Docket No. 365-1] between VHS, Verity Holdings, LLC, a California limited liability company, and Santa Clara County ("SCC") for the sale of the assets of SLRH and OCH to SCC) as approved by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that this relief is required because: (a) the Debtors are liquidating their assets in chapter 11, and will, at the end of the process, no longer operate the Hospitals, (b) after a thorough marketing process, no bidder (other than SCC) emerged seeking to acquire the assets of the Hospitals (c) as of the Closing Date (as defined in the APA), the Debtors will no longer employ the employees currently represented by SEIU at the Hospitals and, pursuant to the *Order (A) Authorizing The Sale Of Certain Of The Debtors' Assets To Santa Clara County Free And Clear Of Liens, Claims, Encumbrances, And Other Interests;* (B) Approving The Assumption And Assignment Of An Unexpired Lease Related Thereto; And (C) Granted Related Relief (the "Sale Order") [Docket No. 1153], the Hospitals are being sold free and clear of the SEIU CBA, (c) SCC will provisionally employ qualified employees as of the

<sup>&</sup>lt;sup>1</sup> Unless otherwise indicated, all chapter and section references are to the Bankruptcy Code, 11 U.S.C. §§ 101-1532. All "Rule" references are to the Federal Rules of Bankruptcy Procedure. All "LBR" references are to the Local Bankruptcy Rules for the United States Bankruptcy Court for the Central District of California.

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Closing Date subject to § 5.3 of the APA and (d) after the sale to SCC closes, the Debtors have no justifiable reason to be bound by the terms of the SEIU CBA obligations as they relate to the OCH or SLRH Hospitals or to incur further obligations under them, which, unless terminated, will add additional and undue financial burden of the estates and otherwise harm the Debtors' reorganization.

PLEASE TAKE FURTHER NOTICE that this Motion is based on this Notice of Motion and Motion, the Declaration of Richard G. Adcock in Support of Debtors' § 1113 Motions filed concurrently herewith, the Declaration of James Moloney in Support of Debtors' § 1113 Motions filed concurrently herewith, the Declaration of Richard G. Adcock in Support of Emergency First-Day Motions (the "First-Day Declaration") [Docket No. 8], the Declaration Of James Moloney In Support Of Debtors Notice Of Motion And Motion For The Entry Of (I) An Order (1) Approving Form Of Asset Purchase Agreement For Stalking Horse Bidder And For Prospective Overbidders To Use, (2) Approving Auction Sale Format, Bidding Procedures And Stalking Horse Bid Protections, (3) Approving Form Of Notice To Be Provided To Interested Parties, (4) Scheduling A Court Hearing To Consider Approval Of The Sale To The Highest Bidder And (5) Approving Procedures Related To The Assumption Of Certain Executory Contracts And Unexpired Leases; And (II) An Order (A) Authorizing The Sale Of Property Free And Clear Of All Claims, Liens And Encumbrances (the "Moloney Bid Procedures Declaration") [Docket No. 394] and the *Declaration of James Moloney* filed in support of and attached to the Debtors' Memorandum in Support of Entry of Order (1) Approving Sale of Certain Assets to Santa Clara County Free and Clear of All Encumbrances; (2) Approving Debtors' Assumption and Assignment of Certain Unexpired Leases and Executory Contracts and Determining Cure Amounts and Approving Debtors' Rejection of Those Unexpired Leases and Executory Contracts Which Are Not Assumed and Assigned; (3) Waiving the 14-Day Stay Periods Set Forth in Bankruptcy Rules 6004(H) and 6006(D); and (4) Granting Related Relief (the "Moloney Sale Declaration") [Docket No. 1041], supporting statements, arguments and representations of counsel who will appear at the hearing on the Motion, the record in this case, and any other

Case		/19 Entered 01/02/19 21:51:43 Desc age 4 of 29						
1	evidence properly brought before the Court in	all other matters of which this Court may properly						
2	take judicial notice.							
3	PLEASE TAKE FURTHER NOTICE that, pursuant to paragraph 33 of the Order (A)							
4	Authorizing The Sale Of Certain Of The Debtors' Assets To Santa Clara County Free And Clear							
5	Of Liens, Claims, Encumbrances, And Other Interests; (B) Approving The Assumption And							
6	Assignment Of An Unexpired Lease Related Thereto; And (C) Granted Related Relief (the "Sale							
7	Order") [Docket No. 1153], this Motion will be heard on January 30, 2019, at 10:00 a.m., Pacific							
8	Time.							
9	PLEASE TAKE FURTHER NOTICE that, pursuant to the Sale Order, any party							
10	opposing or responding to the Motion must file objections due on January 16, 2019. A response							
11	must be a complete written statement of all reasons in opposition to the Motion or in support,							
12	declarations and copies of all evidence on which the responding party intends to rely, and any							
13	responding memorandum of points and author	ities. Further, any replies to any objection and in						
14	support of the Motion are due on January 23, 2019.							
15								
16	Dated: January 2, 2019	DENTONS US LLP SAMUEL R. MAIZEL						
17		TANIA M. MOYRON SAM J. ALBERTS						
18		By /s/ Tania M. Moyron						
19		Tania M. Moyron						
20		Attorneys for the Chapter 11 Debtors and Debtors In Possession						
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Case 2:18-bk-20151-ER

# DENTONS US LLP OUTH FIGUEROA STREET, SUITE 2500 ANGELES, CALIFORNIA 90017-5704 (213) 623-9300

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## **MEMORANDUM OF POINTS AND AUTHORITIES**

#### I. <u>INTRODUCTION</u>

The Debtors seek the entry of an order allowing them to modify the Collective Bargaining Agreement, between Service Employees International Union-United Healthcare Workers–West ("SEIU"), on the one side, and, on the other side, O'Connor Hospital ("OCH"), Saint Louise Regional Hospital ("SLRH"), St. Francis Medical Center ("SFMC") and St. Vincent Medical Center ("SVMC"), which expires on October 31, 2021 (the "SEIU CBA") (attached hereto as Exhibit 1), so as to remove and terminate all terms related to SLRH and OCH (both referred to herein as the "Hospitals," and the terms the Debtors seek to reject and terminate in the SEIU CBA, defined as the "CBA Obligations"), effective upon the "Closing" (as that term is defined in the Asset Purchase Agreement, dated October 1, 2018 (the "APA") [Docket No. 365-1]), related to the sale of the assets of the Hospitals to the County of Santa Clara ("SCC")).

The requested relief is required because (a) the Debtors are liquidating their assets in chapter 11, and will, at the end of the process, no longer operate hospitals, if they operate anything at all, (b) after a thorough marketing process, no bidder (other than SCC) emerged seeking to acquire the assets of the Hospitals, (c) as of the Closing Date (as defined in the APA), the Debtors will no longer employ the employees currently represented by SEIU at the Hospitals (though SCC will provisionally employ qualified employees at the Hospitals as of the Closing Date according to § 5.3 of the APA) and, pursuant to the Order (A) Authorizing The Sale Of Certain Of The Debtors' Assets To Santa Clara County Free And Clear Of Liens, Claims, Encumbrances, And Other Interests; (B) Approving The Assumption And Assignment Of An Unexpired Lease Related Thereto; And (C) Granted Related Relief (the "Sale Order") [Docket No. 1153], the Hospitals are being sold free and clear of CBA Obligations, and (d) upon Closing, the Debtors have no justifiable reason to be bound by the CBA Obligations or to incur further obligations under them, which, unless terminated, will add additional and undue financial burden to the estates and otherwise harm the Debtors' reorganization. The Debtors' Motion should be granted, as the requirements of § 1113 have been met (and will be otherwise completed prior to resolution of the Motion), for the following reasons:

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- The Debtors have met with and submitted a formal Proposal (defined, infra) to SEIU and provided SEIU with current, necessary information to evaluate the Proposal. A copy of the Proposal and the redlined SEIU CBA as the Debtors propose to modify it are attached as **Exhibits 2 and 3**, respectively.<sup>2</sup>
- The relief is necessary, equitable and sought in good faith, because, without the relief, the Debtors would be unable to sell the Hospitals to SCC, and SCC was the only bidder for the Hospitals after a thorough marketing process revealed that (i) no other party emerged willing to place a bid for the Hospitals,<sup>3</sup> and (ii) no other party was willing to assume the CBA Obligations.
- Subject in all respects to the terms and conditions of the APA, SCC will provide the Debtors' employees the opportunity to apply for SCC employment and be represented by the SCC public union.
- Upon the Closing of the sale to SCC, the Debtors will have no use for the CBA Obligations, and, absent rejection and termination through modification of the SEIU CBA, the Debtors could incur additional and unnecessary financial burdens that would harm their estates and endanger the prospect for a successful reorganization.
- The proposed modification of the SEIU Agreement is limited to those provisions that affect only SLRH and OCH, not the other Debtor hospitals that are governed thereby.

For these and other reasons set forth below, the Court should permit the Debtors to reject and terminate the CBA Obligations, as provided in the attached redline (**Exhibit 3**).

<sup>&</sup>lt;sup>2</sup> Although the form and rationale for the relief is straight forward, the Debtors have advised SEIU that they will respond to all reasonable information requests and consider a "counter proposal" should one be timely presented. SEIU has provided the Debtors with information requests that the Debtors will respond to in a timely manner before the hearing on this Motion.

<sup>&</sup>lt;sup>3</sup> See Memorandum Of Decision Overruling Objections Of The California Attorney General To The Debtors' Sale Motion, Docket No. 1146, at 3.

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## II. <u>JURISDICTION AND VENUE</u>

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue of these cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

#### III. STATEMENT OF FACTS

#### A. GENERAL BACKGROUND.

- 1. On August 31, 2018 ("<u>Petition Date</u>"), the Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "<u>Bankruptcy Code</u>"). Since the commencement of their cases, the Debtors have been operating their businesses as debtors in possession pursuant to §§ 1107 and 1108.
- 2. Debtor VHS, a California nonprofit public benefit corporation, is the sole corporate member of five Debtor California nonprofit public benefit corporations that operate six acute care hospitals, including OCH and SLRH and other facilities in the state of California.
- 3. SLRH owns real property commonly known as: (i) 9400 No Name Uno, Gilroy, CA 95020, and the hospital and helipad thereon; and (ii) 705 Las Animas Road, Gilroy, CA 95020. SLRH opened in 1989 in the Morgan Hill area of Santa Clara County. In December 1999, the Daughters of Charity of St. Vincent de Paul relocated the hospital to Gilroy and renamed it Saint Louise Regional Hospital. Today, the Hospital's 93 licensed-bed facility and 24-hour emergency department provide services to the residents of southern Santa Clara County, including Morgan Hill, San Martin, and Gilroy. The emergency department has eight licensed emergency treatment stations. SLRH also has five surgical operating rooms for inpatient and outpatient surgical procedures. Ten of SLRH Hospital's 21 licensed skilled nursing beds are in suspense. SLRH Hospital provides comprehensive healthcare services including cancer, emergency, rehabilitation, and surgical care. SLRH Hospital is accredited by The Joint Commission.
- 4. SLRH owns and operates the De Paul Urgent Care Center. The De Paul Urgent Care Center is located on the DePaul Campus, an approximately 25 acre campus located in Morgan Hill, and offers patients non-emergency medical services seven days a week. The De

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Paul Urgent Care Center treats non-life threatening cases, such as minor injuries and lacerations, strep throat, sinus infections, rashes, nausea, vomiting, colds, flu, and fever.

- 5. OCH owns real property commonly known as: (i) 455 O'Connor Dr. San Jose, CA 95128, and partial interest in the medical office building thereon; (ii) 2105 Forest Ave, San Jose, CA 95128, and the acute hospital, medical office building, and all of the facilities located thereon.
- 6. OCH is a nonprofit public benefit corporation that operates a 358 licensed-bed, general acute care hospital that serves residents from the greater San Jose area. The OCH Hospital has an emergency department with 23 emergency treatment stations. It also has 11 surgical operating rooms and two cardiac catheterization labs. The OCH Hospital offers a comprehensive range of healthcare services, including emergency, cardiac, orthopedic, cancer, obstetrics, and sub-acute care services. The OCH Hospital is accredited by The Joint Commission.
- 7. VHS, the Hospitals, and their affiliated entities (collectively, "Verity Health System"), operate as a nonprofit health care system, with approximately 1,680 inpatient beds, six active emergency rooms, a trauma center, eleven medical office buildings, and a host of medical specialties, including tertiary and quaternary care. Declaration of Richard G. Adcock in Support of Emergency First-Day Motions at 4, ¶ 12 (the "First-Day Declaration"). On the Petition Date, the Debtors had approximately 850 inpatients. Id. at 6, ¶ 17. The scope of the services provided by the Verity Health System is exemplified by the fact that in 2017, its Hospitals provided medical services to over 50,000 inpatients and approximately 480,000 outpatients. *Id.*, at 4, ¶ 12.

#### В. THE CBA BETWEEN THE DEBTORS AND SEIU.

8. The Debtors entered into the SEIU CBA, a prepetition collective bargaining agreement with SEIU regarding the Hospitals, that is still effective. The CBA covers O'Connor Hospital ("OCH"), Saint Louise Regional Hospital ("SLRH"), as well as St. Francis Medical Center ("SFMC") and St. Vincent Medical Center ("SVMC") (though SVMC and SFMC are not affected by this Motion and the Debtors do not seek any relief herein concerning SVMC and SFMC). Approximately 190 employees working for the benefit of SLRH are covered under the SEIU CBA, and approximately 512 employees working for the benefit OCH are covered under

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the SEIU CBA (the "SEIU Represented Employees"). These employees generally work in, depending on the hospital, environmental and food services, technician positions, such as radiology technicians, respiratory care practitioner, and pharmacy technicians, clinical units as certified nursing assistants and admitting, medical records and various clerical positions.

#### C. THE DEBTORS' PRE AND POST-PETITION EFFORTS TO SELL THE HOSPITALS.

- 9. Previously, the Hospitals were owned by the Daughters of Charity Healthcare System ("DCHS"). Despite continuous efforts to improve operations, operating losses continued to plague the health system due to, among other things, mounting labor costs, low reimbursement rates and the ever-changing healthcare landscape. In 2013, DCHS actively solicited offers for among other hospitals, OCH and SLRH. First-Day Declaration, at 22, ¶ 86.
- 10. In early 2014, DCHS announced that they were beginning a process to evaluate strategic alternatives for the health system. First-Day Declaration, at 22-23, ¶ 87. Throughout 2014, DCHS explored offers to sell their hospital system, including the Hospitals, and, in October 2014, they entered into an agreement with Prime Healthcare Services and Prime Healthcare Foundation (collectively, "Prime") to sell the health system. *Id.* However, to keep the hospitals open, DCHS needed to borrow \$125 million to mitigate immediate cash needs during the sales process; in other words, to allow DCHS to continue to operate until the sale could be consummated. In early 2015, the California Attorney General consented to the sale to Prime, subject to conditions on that sale that were so onerous that Prime terminated the transaction. Id.
- 11. In 2015, DCHS again marketed their health system for sale, and, again, focused on offers that maintained the health system as a whole, and assumed all the obligations. First-Day Declaration, at 23, ¶ 88. In July 2015, the DCHS Board of Directors selected BlueMountain Capital Management LLC ("BlueMountain"), a private investment firm, to recapitalize its operations and transition leadership of the health system in the restructured Verity Health System (the "BlueMountain Transaction"). Id.
- 12. In connection with the BlueMountain Transaction, BlueMountain agreed to make a capital infusion of \$100 million to the health system, arrange loans for another \$160 million to the

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health system, and manage operations of the health system, with an option to buy the health system at a future time. In addition, the parties entered into a System Restructuring and Support Agreement (the "Restructuring Agreement"), and DCHS's name was changed to Verity Health System of California, Inc. First-Day Declaration, at 23, ¶ 89.

- 13. On December 3, 2015, the California Attorney General approved the BlueMountain Transaction, subject to conditions. Despite BlueMountain's infusion of cash and retention of various consultants and experts to assist in improving cash flow and operations, the health system did not prosper. First-Day Declaration, at 24, ¶ 93.
- 14. In July 2017, NantWorks, LLC ("NantWorks") acquired a controlling stake in Integrity. NantWorks brought in a new CEO, CFO, and COO. NantWorks loaned another \$148 million to the Debtors. First-Day Declaration, at 24, ¶ 94. Despite the infusion of capital and new management, it became apparent that the problems facing VHS were too large to solve without a formal court-supervised restructuring. Thus, despite VHS' great efforts to revitalize its hospitals and improvements in performance and cash flow, the legacy burden of more than a billion dollars of bond debt and unfunded pension liabilities, an inability to renegotiate CBAs (including the CBA here) or payor contracts, the continuing need for significant capital expenditures for seismic obligations and aging infrastructure, and the general headwinds facing the hospital industry, made success impossible. Losses continued to amount to approximately \$175 million annually on a cash flow basis. First-Day Declaration, at 24-25, ¶ 95.
- 15. Prior to the Petition Date, the Debtors engaged in substantial efforts to market and sell their assets. In June 2018, the Debtor engaged Cain Brothers, a division of KeyBanc Capital Markets ("Cain"), to identify potential buyers of its hospitals and related assets and commenced discussions with those potential buyers.<sup>4</sup> First-Day Declaration, at 34, ¶ 128.
- 16. Cain prepared a Confidential Investment Memorandum and organized an online data site to share information with potential buyers and contacted over 110 strategic and financial

<sup>&</sup>lt;sup>4</sup> The Debtors fully incorporate the previously filed Moloney Bid Procedures Declaration [Docket No. 394] and the Moloney Sale Declaration [Docket No. 1041] (together, with the concurrently filed Declaration of James Moloney in Support of Debtors' § 1113 Motions, the "Moloney Declarations"), which describe in detail the Debtors' pre- and postpetition marketing activities of their assets, including the Hospitals.

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buyers beginning in July 2018 to solicit their interest in exploring a transaction regarding the Debtors and has advanced significantly towards achieving sales. First-Day Declaration, at 34-35 ¶ 129; Moloney Declaration at ¶ 4.

17. By August 2018, as a result of its ongoing and broad marketing process, Cain had received 11 Indications of Interest ("<u>IOI</u>"), and continued to develop potential sales. First-Day Declaration, at 35, ¶ 130; Moloney Declaration at ¶ 5.

#### D. THE SALE AND THE PURCHASE CONDITION TO NOT ASSUME CBAS.

- 18. SCC sent the Debtors an IOI, and, after due consideration, the Debtors filed a motion [Docket No. 365]<sup>5</sup> seeking entry of an order: (a) establishing SCC as the stalking horse bidder for its two hospitals in Santa Clara County -- SLRH and OCH and related assets (the "Assets"); (b) approving the form of the APA, dated October 1, 2018, between VHS, Verity Holdings, LLC, OCH and SLRH, and SCC as a stalking horse bidder for this transaction; (c) setting bid procedures to establish guidelines for parties interesting in making an overbid; (d) setting an auction to be held if necessary; and (e) setting a hearing for the Court to approve the winning bidder (the "Sale Hearing").
- 19. The Debtors had vigorously marketed the Assets and signed the APA because SCC's bid represented a fair market value for the Assets, and SCC would maintain the healthcare characteristics of the Debtors' Hospitals, continuing patient care for the communities served by the Hospitals. First-Day Declaration at 25, ¶ 97 ("The goals of the Debtors' restructuring are to maintain the Debtors' business operations; preserve the going-concern value of the Debtors' businesses, its stakeholders, and parties in interest; and, most importantly, to protect the health and wellbeing of the patients who are treated at the Hospitals and the jobs of the Debtors' approximately 7,000 employees."). The Court granted the Debtors' Motion (the "Bidding Procedures Order") [Docket No. 724], and set the Sale Hearing for December 19, 2018.

<sup>&</sup>lt;sup>5</sup> Motion For The Entry Of (I) An Order (1) Approving Form Of Asset Purchase Agreement For Stalking Horse Bidder And For Prospective Overbidders To Use, (2) Approving Auction Sale Format, Bidding Procedures And Stalking Horse Bid Protections, (3) Approving Form Of Notice To Be Provided To Interested Parties, (4) Scheduling A Court Hearing To Consider Approval Of The Sale To The Highest Bidder And (5) Approving Procedures Related To The Assumption Of Certain Executory Contracts And Unexpired Leases; And (II) An Order (A) Authorizing The Sale Of Property Free And Clear Of All Claims, Liens And Encumbrances; Memorandum Of Points And Authorities In Support Thereof.

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#### 20. Under the APA, SCC agreed:

Subject to Purchaser's standard hiring practices (including, but not limited to, those practices contained in Purchaser's Charter, Ordinance Code, regulations, and policies and procedures), Purchaser agrees to offer provisional employment, effective as of the Effective Time, to substantially all employees of Hospital Sellers who are listed on Schedule 5.3.1 who are actively employed and in good standing with a Hospital Seller as of Closing (the "Seller Employees"), in County positions consistent with those positions provided by the Hospital Sellers as of Closing; provided, however, (a) Seller Employees must meet the minimum qualifications for the specific position offered, and (b) standard Purchaser pre-employment screenings will be performed on all Seller Employees as a condition to employment with Purchaser. Any of the Seller Employees who accept a provisional offer of employment with Purchaser as of or after the Effective Time shall be referred to in this Agreement as the "Hired Employees." Purchaser's labor contracts with its employee labor organizations may require the Purchaser to make available and/or offer current Purchaser employees the opportunity to transfer to a comparable position at one of the Hospitals. Once this process is complete, if required, Purchaser will afford Hired Employees the opportunity to apply for permanent-track positions with Purchaser. For the avoidance of doubt, the Seller Employees shall not include any employees of Verity Health System of California, Inc. or any other affiliate of any Seller unless such individual is listed on Schedule 5.3.1. Notwithstanding anything to the contrary in this Agreement, Purchaser shall make decisions with respect to hiring Seller Employees who served in a management role prior to or as of Closing on a case-by-case basis, but Purchaser shall not be obligated hereunder to offer to employ any of such individuals. Substantially all "Per Diem" Seller Employees will be offered extra-help employment in accordance with Purchaser's standard hiring practices as referenced above. For any Hired Employees who are permanently employed by Purchaser, Purchaser will provide benefits and terms and conditions of employment generally consistent with those offered to other Purchaser employees in the same or substantially similar Purchaser classifications. Whether a classification is "substantially similar" to a Purchaser classification shall be determined in Purchaser's sole and absolute discretion.

APA at § 5.3.1 (with § 5.3 of the APA as the "<u>Provisional Hiring Clause</u>"). The Provisional Hiring Clause is subject in all respects to any other terms and conditions of the APA.

## a. The Post-APA Marketing Process and the Lack of Additional Bids

21. Pursuant to the requirement of the Bidding Procedures Order, the Debtors continued their prepetition effort to sell the Assets (the "Marketing Process"). As a part of this process, and as further detailed in the Moloney Declarations, Cain Brothers, the Debtors' investment banker ("Cain"), continued to actively market the Assets. Cain vigilantly monitored interest and continued to communicate with potential partial or aggregate bidders. For instance, Cain sent a direct email communication to more than 170 interested buyers Cain had identified

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and over 600 individual email addresses. This communication contained key information about the Assets, the auction, the Bidding Deadline and other deadlines, a hyperlink to access the Bidding Procedures Order and contact information for a Cain individual to discuss questions and further interest. Cain's Marketing Process was meant to identify and shepherd any potential bidders who could contribute to a competitive auction on top of the Stalking Horse Bid.

- 22. The Debtors expressed their preference to potential bidders during the Marketing Process for a buyer to assume the CBA Obligations in whole or in part. *Declaration of Richard G. Adcock in Support of Debtors' § 1113 Motions* at ¶ 7. However, during the Marketing Process, no party or Potential Bidder (as defined in the Bidding Procedures Order) expressed interest in assuming in whole or in part, the CBA Obligations. Moloney Declaration at ¶ 13.
- 23. No other party emerged willing to place a bid for the Assets, whether partial or aggregate, under the Bidding Procedures Order. *See Notice That No Auction Shall Be Held* [Docket No. 1005]. The Debtors then identified SCC as the winning bidder. Therefore, the Court considered the Debtors' request to approve the APA at the Sale Hearing, and, subsequently entered the Sale Order [Docket No. 1153].

#### b. SCC's Condition of Not Taking An Assignment of CBAs.

24. The Bidding Procedures Order required the Debtors to file and serve a cure notice upon each counterparty to an Assumed Executory Contracts (as defined in the Cure Notice, at 29, of the Bidding Procedures Order) and provided certain related assumption and assignment procedures thereto. Bidding Procedures Order, at 9-12. The Bidding Procedures Order also (i) allowed the successful bidder to exclude or to add certain contracts or leases to the initial list of Assumed Executory Contracts, as set forth therein, and (ii) provided that the successful bidder would be responsible for satisfying any requirements regarding adequate assurance of future performance that may be imposed under § 365(b) in connection with the proposed assignment of any Assumed Executory Contract, and the failure to provide adequate assurance of future performance to any counterparty to any Assumed Executory Contract shall not excuse the successful bidder(s) from performance of any and all of its obligations pursuant to the successful bidder's purchase agreement. Bidding Procedures Order at ¶ 26.

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- 25. Under the Court approved APA, Labor Obligations (as defined therein), including the CBA Obligations, are an excluded liability from the Sale. See APA ¶ 8.13. SCC, in fact, cannot legally assume the CBA Obligations or be parties to CBAs under California law, because SCC employees represented through specific are already memoranda of understanding/agreement addressing bargaining issues.<sup>6</sup>
- 26. Although SCC will not take an assignment of the CBA Obligations, SCC employees are permitted to join the SCC union representing their respective classifications. Under the Provisional Hiring Clause, SCC intends to consider for employment the SEIU Represented Employees that currently staff the Hospitals and understands the value of employees with institutional knowledge and the value of the Debtors' employees. All employees previously covered under the CBA Obligations that are hired by SCC may join the SCC union representing their respective classification.<sup>7</sup>

#### Ε. THE § 1113 MEETING AND PROPOSAL

- 27. On December 5, 2018, the bidding deadline passed with no alternative bidders. On December 13, 2018, the Debtors travelled to the offices of SEIU and delivered the requisite proposal under § 1113 to reject and terminate the CBA Obligations by modifying the SEIU CBA (the "Proposal"). The meeting was followed up with a letter memorializing the Proposal (Exhibit 2) and transmission of a redline copy of the SEIU CBA showing the modifications (Exhibit 3).
- 28. At the meeting on December 12, 2018, the Debtors spoke with employees and union representatives, including the official, authorized SEIU representative and certain SEIU Represented Employees, at a meeting attended by Richard Adcock, CEO of VHS, Steven Sharrer,

<sup>&</sup>lt;sup>6</sup> Under California law, when county or city employees are represented by a union, the agency must negotiate with that union regarding their pay and benefits, working hours, and working conditions. California Government Code 3500, known as the Meyers-Milias-Brown Act, (MMB) requires negotiation in good faith with the recognized employee representative on specified subjects. It also permits local agencies to adopt their own rules and regulations for the governance of labor relations. For California local agencies, the public agency employer determines the appropriate bargaining units within the agency. Covina-Azusa Fire Fighters Union, Local 2415 v. City of Azusa, 81 Cal. App. 3d 48, 59 (1978). The agency typically has an employer-employee relations ordinance or resolution that describes the procedures to determine bargaining units, to resolve disputes over bargaining unit formation and to establish bargaining unit representation. The public agency typically creates these procedures after consulting in good faith with the representatives of a recognized employee organization. Cal. Gov't Code § 3507.

<sup>&</sup>lt;sup>7</sup> The relief that the Debtors seek in this Motion is contingent and conditioned on the Sale closing, which is expected to occur on or about February 28, 2019.

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Chief Human Resources Officer of VHS, and Sam J. Alberts of Dentons US LLP. Adcock Declaration at ¶ 11. At the meeting, after discussing the Bankruptcy Case and Sale process generally, the Debtors presented their Proposal and represented that:

- The Debtors would seek approval of the sale of the Hospitals to SCC because no other qualified bidder had emerged (and, among other things, that no other potential bidder had indicated interest in assuming the CBA Obligations).
- SCC will not assume the CBA Obligations. Notwithstanding non-acceptance of the CBA Obligations, the allocation of job descriptions and classifications have already been made (under Local Ordinance A-25 of Santa Clara County), and substantially all current OCH and SLRH employees in good standing would be represented by a SCC union, which are allocated to their applicable job classifications.<sup>8</sup>
- The Debtors would be filing a motion to obtain authority to reject and terminate the CBA Obligations by modifying the SEIU CBA to effectuate because the Debtors would no longer be operating the Hospitals after the Closing.
- The Debtors intended to honor and maintain the CBA Obligations until Closing.
- SCC would prospectively hire SEIU Represented Employees subject to the Provisional Hiring Clause, who were interested in working for SCC after the Closing, and these hired employees would be represented by a SCC union, which has been allocated for the relevant job classifications...
- The Debtors were available to discuss questions about the Proposal or other relevant issues.
- 29. On December 14, 2018, SEIU's counsel sent the Debtors written information requests (the "Requests").
- 30. The Debtors are organizing their response, and intend to respond to the Requests to allow SEIU to evaluate with due time before the hearing on this Motion. The Debtors will respond to additional communications from the union and any counterproposal should one be

<sup>&</sup>lt;sup>8</sup> Based upon information and belief, SCC and the unions whose employees work at the Hospitals are already in discussions about this process.

delivered.

IV. ARGUMENT

#### A. <u>SECTION 1113'S APPLICABILITY AND STANDARDS</u>

"Section 1113 of the Bankruptcy Code gives a bankruptcy court the authority to modify or reject a collective bargaining agreement if the debtor follows certain steps prescribed by the statute." *In re Karykeion, Inc.*, 435 B.R. 663, 673 (Bankr. C.D. Cal. 2010). Courts recognize that § 1113 is a complex statute and that "[p]assage of § 1113 was not accompanied by a committee report, and there is no dependable legislative history." *In re Hoffman Bros. Packing Co., Inc.*, 173 B.R. 177, 182 (B.A.P. 9th Cir. 1994). Therefore, "[b]ankruptcy cases generally approach this complicated statute by breaking the statute into a nine part test [because] th[is] nine step analysis [is] an effective way to approach this multipart statute and [its] requirements." *In re Karykeion, Inc.*, 435 B.R. at 677 (citing *In re Family Snacks, Inc.*, 257 B.R. 884, 892 (B.A.P. 8th Cir. 2001)).

The nine factors are: (1) the debtors make a proposal; (2) the proposal be based on the most complete and reliable information available at the time of the proposal; (3) the proposed modifications or rejection are necessary to permit reorganization of the debtor; (4) the modifications assure that all creditors, the debtors, and all other affected parties are treated fairly and equitably; (5) the debtors provide the union relevant information as is necessary to evaluate the proposal; (6) the debtors meet at reasonable times with the union between the time of the proposal and the time of the hearing; (7) the debtors negotiate with the union in good faith at these meetings; (8) the union refuses to accept the debtors' proposal without good cause; and (9) the balance of equities clearly favors rejection or modification of the agreement. *Id*.

Although the Debtors do not dispute that § 1113 applies in these cases, courts have recognized that the provisions of § 1113 are ill-suited to a case like this case, where the Debtors are liquidating their assets under chapter 11. *In re Chicago Constr. Specialties, Inc.* 510 B.R. 205, 215 (Bankr. N.D. Ill. 2014) (*quoting In re Rufener Contr., Inc.*, 53 F.3d 1064, 1067 (9th Cir. 1995)). And, as noted in the thoughtful analysis in *Chicago Constr.*, *supra*, the Court "must not just consider the tests that have developed in the case law for reorganizing cases. The court must also determine how, if any, those tests should be treated differently in a liquidating case." *Id.* at

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216. There is no doubt that the Debtors are liquidating their assets. Although they have not ceased operations, or filed a liquidating plan, their actions and statements make clear that they are, in fact, liquidating. First-Day Declaration at 25, ¶ 96. Chicago Constr., 510 B.R. at 217 (discussing why rejection of CBAs, even, in liquidation, are important, including to avoid administrative expenses which can dilute creditors' recoveries and even make confirmation of a plan impossible).

#### В. THE DEBTORS HAVE SATISFIED § 1113'S REQUIREMENTS

#### a. The Debtors have made a proposal to SEIU.

The Debtors have made a proposal to reject and terminate the CBA Obligations by modifying the SEIU CBA, both orally and in writing, as evidenced by the letter of December 13, 2018, and the redline supplementing it. As such, the Proposal is more than adequate to meet this requirement. See In re Alpha Nat. Res., Inc., 552 B.R. 314, 331 (Bankr. E.D. Va. 2016) ("[T]he bar for satisfying this requirement [of the making of a proposal] is low because in most cases, this factor is a 'routine formality.'") (citations omitted); Chicago Constr., 510 B.R. at 217 ("The Notice clearly provides that the Debtor proposed to modify the CBA by rejecting it. Nothing further is needed or appropriate with respect to the first test."); In re Allied Delivery Sys. Co., 49 B.R. 700, 700-01 (Bankr. N.D. Ohio 1985) (letter sent by debtor to union seeking relief from CBA was "proposal" under § 1113); Matter of K & B Mounting, Inc., 50 B.R. 460, 461 (Bankr. N.D. Ind. 1985) ("The [§ 1113] proposal was made by letter to [the] business representative of Teamsters Local Union No. 299 [from the debtor's attorney]").

#### b. The Proposal was based on the most complete and reliable information available.

To satisfy this factor, "the debtor is simply required to gather the most complete information available at the time and to base its proposal on the information it considers reliable. This requirement by definition excludes hopeful wishes, mere possibilities and speculation." In re Karykeion, 435 B.R. at 678. "Nonetheless, in order to meet the procedural requirements of section 1113(b)(1)(A), 'a debtor can only be required to provide information that is within the

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debtor's power to provide." Chicago Constr., 510 B.R. at 219 (quoting In re Pinnacle Airlines Corp., 483 B.R. 381, 411 (Bankr. S.D.N.Y. 2012)).

Here, the Debtors have made the Proposal because they are liquidating their assets, have determined they cannot operate the Hospitals and the Marketing Process demonstrated that SCC is the only willing buyer and it will not assume the CBA Obligations. The Proposal was based on current, complete and reliable information because the Proposal was made shortly after the Bidding Deadline when SCC became the Successful Bidder. As this information was promptly shared with SEIU (and the APA is in the public record and was served upon SEIU), this prong is satisfied. Chicago Constr., 510 B.R. at 219 ("Under the circumstances of this case, it is not difficult to conclude that the Debtor based its choice on the most complete and reliable information available at the time of the proposal.").

#### The Proposal is necessary to permit the successful reorganization of c. the Debtors.

The Debtors may utilize § 1113 to liquidate their going concern businesses and, as such, the proposed rejection and termination of the CBA Obligations through the modification of the SEIU CBA are necessary to both the sale and the reorganization process. *Chicago Constr.*, 510 B.R. at 221 ("the court finds that 'necessary to an effective reorganization' means, in the context of a liquidation, necessary to the Debtor's liquidation."). The Ninth Circuit BAP has found,

[T]he distinction between reorganization of a debtor and the sale of a going concern asset to a third party [is] irrelevant to considerations under § 1113, based on Chapter 11's goal of continuing the enterprise, regardless of the ownership [and] § 1113 does not preclude rejection of CBAs where the purpose or plan of the debtor is to liquidate by a going concern sale of the business.

In re Hoffman Bros. Packing Co., Inc., 173 B.R. at 186–87 (citing In re Maxwell Newspapers, Inc., 149 B.R. 334 (S.D.N.Y.1992)); see also In re Family Snacks, Inc., 257 B.R. at 897 ("[as] it is appropriate to permit rejection in the context of a § 363 asset sale when the debtor will no longer be in business, as the cases uniformly hold and the union appears to concede, it ought not matter when the decision on rejection is made").

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"[C]ourts have found that this 'necessary' factor has been satisfied when a debtor has proven that modification or rejection is 'necessary' to achieve a sale under § 363" when a debtor "lacks the liquidity necessary to complete a stand-alone reorganization." In re Alpha Nat. Res., Inc., 552 B.R. at 333; In re Nat'l Forge Co., 289 B.R. 803, 810–11 (Bankr. W.D. Pa. 2003).

Here, the Debtors have sustained losses that "amount to approximately \$175 million annually on a cash flow basis" (First-Day Declaration, at 24-25, ¶ 95), and, thus, lack the means to emerge from these cases under a "stand-alone reorganization" model and must either sell or close the Hospitals. Given these two choices, the Debtors' desired approach has been to sell these Hospitals, as well as the Debtors' remaining facilities. On the Petition Date, the Debtors' CEO testified:

[T]he Debtors have commenced these chapter 11 cases to protect the original legacy of the Daughters of Charity to the maximum extent possible by retiring debt incurred over the past 18 years and freeing the hospital facilities and work force to continue to operate as hospitals under new ownership and leadership without the accumulated crisis of the past. To do that requires the bankruptcy court supervised sale of some or all of the hospitals and related facilities, and the comprehensive resolution of the Debtors financial obligations through a court approved plan of reorganization.

First-Day Declaration at 25, ¶ 95 (emphasis added).

The Debtors preferred to sell their Hospitals with the CBA Obligations in place and explicitly expressed this preference to all potential buyers. However, neither SCC nor any other party expressed a willingness to assume the CBA Obligations, in whole or in part. Under the situation here—with no bidder willing to assume the CBA Obligations, and the Debtors unable to reorganize the Hospitals themselves—this factor is satisfied because the Debtors must reject the CBA Obligations by modifying the SEIU CBA to effectuate a going-concern sale. *In re Walter* Energy, Inc., 542 B.R. at 893-94 (Bankr. N.D. Ala. 2015)<sup>9</sup> ("The evidence establishes that the [businesses could not] be sold without rejection of the [collective bargaining agreement]. Thus, absent the rejection, those operations would be closed and sold on a piecemeal basis. On the

<sup>&</sup>lt;sup>9</sup> (aff'd sub nom. United Mine Workers of Am. Combined Benefit Fund v. Walter Energy, Inc., 551 B.R. 631 (N.D. Ala. 2016) and aff'd sub nom. United Mine Workers of Am. 1974 Pension Plan & Tr. v. Walter Energy, Inc., 579 B.R. 603 (N.D. Ala. 2016)).

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other hand, if the sale(s) consummate and the [businesses] are sold as a going-concern, Debtors' employees have the best chance of future employment."); In re Nat'l Forge Co., 289 B.R. at 810– 11 ("No buyer was willing to assume the CBA. Potential ongoing disputes over the CBA threatened to chill the bidding in the absence of rejection. The proposed modification in the form of rejection of the CBA is necessary to permit reorganization of the Debtor.").

Rejection and modification of the CBA Obligations are necessary now and not, for instance, after a plan confirmation, because, after the Sale closes, the Debtors will have no need for the CBA Obligations, and the CBA Obligations may expose the Debtors to liability and expenses without the Debtors receiving consideration in return. See Chicago Constr., 510 B.R. at 217-18 ("The Debtor seeks to reject that agreement in the course of its liquidation. Why? Because, as with any unrejected contract, post-petition obligations thereunder may result in administrative claims against the estate. Waiting to reject as a part of a confirmed plan, when such plan confirmation process may be protracted and the intermediate period results in accrual of administrative obligations, would not be in the best interest of the Debtors' estate as a whole. Given the foregoing, the Debtors' choice to seek rejection in advance of a plan is understandable.") (citations omitted).

#### The Debtors have provided SEIU with relevant information necessary d. to evaluate the Proposal.

"The test merely requires that the debtor provide the counterparty with 'such relevant information as is necessary to evaluate the proposal." Chicago Constr., 510 B.R. at 220. In a similar factual situation the Bankruptcy Court for the Northern District of Alabama found that:

[R]equired "relevant information" was simple and apparent for all to see: the Debtors could not survive absent a sale in the near term, the Proposed Buyer had emerged as the only viable bidder that would purchase the [business] as a going-concern, the sale of the [business] as a going-concern provides the best chance for future employment of the Debtors' employees, and the Stalking Horse APA requires . . . rejection of the. . . CBA.

In re Walter Energy, Inc., 542 B.R. at 886-87. Likewise, also under another similar fact pattern, the Bankruptcy Court for the Western District of Pennsylvania found that this factor was satisfied where: "The Debtor provided the Union with the APA, Debtor's Sale Motion and its liquidating

 Plan and Disclosure Statement. Debtor's financial advisor met with the Union the day after the APA was signed and provided the Union up-to-date information, a realistic time line, and reasonable prediction regarding the outcome of the case." *In re Nat'l Forge Co.*, 289 B.R. at 810. Such is the case here because the Debtors have provided SEIU with key information and documents (the APA, the Sale information, the redline, etc.) informing SEIU of the Debtors' Proposal and the basis thereof.

Further, the Court should consider information the Debtors have publicly filed as "provided" to the union, including, information the Debtors presented of their "dire financial condition" in court filings, including but not limited to the Debtors' Schedules, SOFAs, the First-Day Declaration (which detailed the reasons for and current state of the Debtors' financial distress) and the Bidding Procedures Motion. [Docket Nos. 8, 365, 513, 514]; *Chicago Constr.*, 510 B.R. at 220 ("Further, the case law in this arena confirms that nothing requires the information provided to be provided in the proposal itself."); *In re Karykeion, Inc.*, 435 B.R. at 680–81 ("The debtor presented this evidence [of its financial condition] in support of its disclosure statement, motions to modify cash collateral orders, and other proceedings before this court.").

Finally, although certain unions argued in their opposition to the sale of the assets to SCC that the Debtors waited too long to engage in negotiations, they were well aware of the requirements of the APA, that SCC was not going to assume the CBA and, yet, never sought additional information or negotiations with the Debtors or SCC over the terms of the APA. *Chicago Constr.*, 510 B.R. at 220 ("Had the Respondents engaged with the Debtor, they might have been offered or been able otherwise to obtain additional information . . . Had the Respondents wanted additional information, they could have requested it. Instead, the Respondents chose not to engage with the Debtor . . . By failing to engage the Debtor and failing to advance a theory under which the Debtor's disclosures are inadequate, the Respondents have failed to show that the fifth factor has not been met. The court therefore concludes that it has been satisfied.").

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#### The Proposal treats all creditors, the debtor, and all of the affected e. parties fairly and equitably.

In a sale context, this factor does not require that parties are paid in full or that all employees are re-hired or re-represented. Rather, the Court considers whether "affected parties" are treated fairly under the Code, and that the debtor does not place a "disproportionate burden" on represented employees. In re Nat'l Forge Co., 289 B.R. at 811. "[A]ffected parties [under § 1113] . . . include those who have intangible interests, such as [a] city, [a] state, vendors who supply the [debtors' businesses], and most importantly, the employees who depend on the going concern sale as the best chance for future employment." In re Walter Energy, Inc., 542 B.R. at 892–93.

Here, there is no disproportionate burden placed on SEIU Represented Employees compared to other Hospital employees or other affected parties. The Debtors place special value on their SEIU Represented Employees, and the Debtors' CEO, principals, and their counsel met with SEIU and SEIU Represented Employees immediately after the Bid Deadline passed. The APA includes the Provisional Hiring Clause for SCC to provisionally employ as of the Closing Date substantially all SEIU Represented Employees who meet the requirements in Section 5.3.1 of the APA. Under this process, SCC will consider for employment SEIU 20 Represented Employees who, if hired, may be represented by the union respecting their respective classification. Further, the Debtors propose to honor the CBA Obligations in full up and until the Closing.

Additionally, because this is a liquidation of the Hospitals, SEIU Represented Employees and the SEIU may assert claims for damages on a fair and equal basis as other creditors under the Code. See In re Chicago Constr. Specialties, Inc., 510 B.R. at 222 ("[T]he Debtor's proposal to reject the CBA simply treats CBA claims on par with claims of other creditors, in the same manner those claims would be treated in a chapter 7. The [union's] arguments, on the other hand, would impermissibly and inequitably elevate those claims."). <sup>10</sup> Further, to the extent that

<sup>&</sup>lt;sup>10</sup> The Debtors take no position on the ultimate recovery or rights of SEIU or SEIU Represented Employees to these claims under the Code.

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Hospital employees continue to work for the Hospitals through Closing, they will receive their compensation and existing benefits in the ordinary course as administrative expenses.

Also, it bears mentioning that the focus in this factor is on the represented employees themselves, not the fate of any individual union. Where, as here, the evidence establishes that it is likely that some of the employees "may be employed by the successful buyer" this supports a finding of fair treatment to employees (especially where these employees will be able to be represented by the SCC union that represents their respective classifications). In re Nat'l Forge Co., 289 B.R. 803 at 808–09; see also In re Walter Energy, Inc., 542 B.R. at 867 ("The record . . . indicate[s] the proposed going concern sale is the best chance for selling the [businesses] and to provide potential future employment for the Debtors' represented employees."). Here, the Sale is the best possible option for the SEIU Represented Employees, the Hospitals, and the communities they serve—and the Sale will only occur through the proposed rejection and termination of the CBA Obligations through the modification of the SEIU CBA.

#### f. The Debtors have and will meet at reasonable times with SEIU up and until the hearing on this Motion.

As demonstrated, the Debtors have already met with SEIU in good faith, and offered to meet with them again as reasonably requested. It should be also noted that "\\$ 1113 [does not] require completion of negotiations before filing the motion." In re Walter Energy, Inc., 542 B.R. at 884. Additionally, the Proposal invited further discussion between SEIU and the Debtors. *Id.* at 885.

#### The Debtors conferred in good faith. g.

As demonstrated, the Debtors have conferred with SEIU in good faith and will continue to do so up to the hearing on this Motion as reasonably necessary. As such, this factor is met and SEIU has no contrary evidence (and SEIU carries the burden to show a lack of good faith given the Debtors' Proposal and willingness to meet). In re Walter Energy, Inc., 542 B.R. at 894 (citing In re Carey Transp., Inc., 50 B.R. 203, 211 (Bankr. S.D.N.Y. 1985) (quoting In re Am. Provision Co., 44 B.R. 907, 910 (Bankr. D. Minn. 1984)), subsequently aff'd sub nom. Truck Drivers Local 807, Intern. Broth. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am. v. Carey Transp.

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*Inc.*, 816 F.2d 82 (2d Cir. 1987). "A failure to reach agreement may be the result of the difficultness of the task, rather than the lack of 'good faith' of either party." *Id.* 

Further, lack of good faith is not established because certain terms in a proposal—like the rejections here—are rendered non-negotiable by external factors (here, the Marketing Process revealing no buyers willing to take assignment of the CBA Obligations and the Debtors' financial inability to do so either). *In re Walter Energy, Inc.*, 542 B.R. at 885 ("The fact that certain terms - like the rejection of [a CBA] - were non-negotiable for reasons beyond the Debtors' control does not render [a proposal] defective or proffered in bad faith."). This is because this inquiry focuses on the debtor's good faith, "not [a p]roposed [b]uyer's negotiation of [an] APA." *Id.* at 895.

Also, apart from actual meetings between the debtor and a union, a debtor acts in good faith when it "facilitates negotiations" between a potential buyer and a union and its employees. Here, the Debtors obtained the Provisional Hiring Clause for all SEIU Represented Employees and also are willing to facilitate discussions between its valued employees and SEIU partner and SCC. *In re Alpha Nat. Res., Inc.*, 552 B.R. at 335–36 (factor met where "[t]he Debtors have submitted proposals, responded to information requests, and were willing to meet with the union frequently throughout the negotiations.").

#### h. SEIU has no good cause to refuse the Debtors' Proposal.

In the context of a sale where the only potential bidders would not assume the applicable CBA, "[a] [u]nion's insistence that [a] [d]ebtor provide something which was not within its control indicates that the Union's refusal to accept [a] proposal . . . without good cause." *In re Nat'l Forge Co.*, 289 B.R. at 812.<sup>11</sup>

Here, the results of the Marketing Process, with no third parties willing to assume the CBA Obligations, and the Debtors' inability to operate the Hospitals outside of this case because of liquidity issues, are not within the Debtors' control. The only option is to reject and terminate

<sup>&</sup>lt;sup>11</sup> This factor does not concern any dispute that may exist between SEIU and SCC (although the Debtors are not aware of any). *In re Karykeion, Inc.*, 435 B.R. at 683–84 ("This court specifically makes no ruling and has no jurisdiction over the dispute between the unions and [buyer]. The relevant inquiry for purposes of the § 1113 motion is the good faith of the debtor and the unions, and allegations related to [buyer's] practices are irrelevant.").

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DENTONS US LLP 601 SOUTH FIGUEROA STREET, SUITE 2500 LOS ANGELES, CALIFORNIA 90017-5704 (213) 623-9300

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27 28 the CBA Obligations to allow SCC to operate the Hospitals with employees represented by the SCC union regarding their respective classifications. Opposing this process would indicate a lack of good faith by the SEIU.

#### The balance of the equities favors the Debtors' Proposal.

A distressed debtor "cannot base its rejection of its only suitor [to purchase a goingconcern business] on a speculative white knight with greater riches." In re Karykeion, Inc., 435 B.R. at 678. Here, SCC has made a good, fair offer for the Hospitals that will allow the Hospitals to remain open to continue their mission of providing high-quality patient care, offer payment to creditors, and offer provisional employment subject to the Provisional Hiring Clause to all SEIU Represented Employees who would be represented who would be represented by the applicable SCC will not and cannot assume the CBA Obligations, and no other buyer expressed interest. Further, without the requested relief, the Debtors would remain bound to the CBA Obligations, and the "only purpose of leaving [these obligations] in place would be to afford [the union] the opportunity for an augmented administrative claim rather than a general unsecured claim," which is impermissible because "\{ 1113 may not be used to elevate a union's position at the cost of any distribution to any other creditor." In re Chicago Constr. Specialties, Inc., 510 B.R. at 221.

The equities favor Closing the Sale, the Hospitals' future and the employment of the many workers who can join a SCC Union. See In re Nat'l Forge Co., 289 B.R. at 813 ("The balance of the equities in the instant matter demands rejection of the CBA . . . A sale at the highest possible price is clearly best for all concerned. Achievement of the highest possible price requires that the CBA be rejected.").

#### V. **CONCLUSION**

Based upon the foregoing, the Debtors respectfully request that the Court enter an order granting the relief requested herein, including (i) modification of the SEIU CBA (Exhibit 1) to effectuate the rejection and termination of the CBA Obligations as reflected in the redline of the SEIU CBA attached as Exhibit 3, and (ii) for such other and further relief as the Court may deem proper.

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	5					By /s/ Tania M. Moyron Tania M. Moyron	
	6					Attorneys for the Chapter 11 Debtors and Debtors In Possession	
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ORIGINAL



# United Healthcare Workers – West

Service Employees International Union CTW, CLC

560 Thomas L. Berkley Wy. Oakland, CA 94612

510-251-1250 🗆 800-585-4250

www.seiu-uhw.org Quality Healthcare for All

Collective Bargaining Agreement with

O'CONNOR HOSPITAL

SAINT LOUISE REGIONAL HOSPITAL

ST. FRANCIS MEDICAL CENTER

ST. VINCENT MEDICAL CENTER

November 1, 2018 - October 31, 2021

## **EXHIBIT 1**

#### **FOREWORD**

#### Dear SEIU United Healthcare Workers - West Member,

This Agreement is the result of many long, hard hours of collective bargaining between your employer and negotiating committee members from your facility. Our success at the bargaining table is directly related to the degree of strength, commitment, and unity achieved among our members. Our rights, our benefits, and our working conditions must never be taken for granted; we have had to fight for everything that we have achieved. We must work to ensure that this contract is enforced each and every day!

Union members should feel free to contact their Shop Steward at any time concerning any matter within the scope of this contract or any other work-related problems. Stewards are the key to building a strong, democratic labor union. They are the "Union on the Job."

In addition, the Union's professional staff is available to help meet the needs of our members and stewards in addressing work-site problems and concerns.

Working in health care is a very difficult and demanding job. The quality of care that you provide, as well as your concern and dedication to your patients, make you very special people. Your Union, United Healthcare Workers - West, is one of the largest healthcare Unions in the United States and the largest healthcare Union in California with over 150,000 members.

Union staff can be contacted at the office of United Health Care Workers - West listed on the cover of this contract. UHW-West headquarters is located at 560 Thomas L. Berkley Way (formerly 20th Street), Oakland, California, 94612. The telephone numbers are (510) 251-1250 or (800) 585-4250.

In Unity,

President

#### SEIU-UHW - West State Offices

#### Oakland Office

560 Thomas L. Berkley Way

Oakland, CA 94612 Phone: 510-251-1250 Phone: 800-585-4250

Fax: 510-763-268
Los Angeles Office

5480 Ferguson Dr. Los Angeles, CA 90022

Phone: 323-734-8399 Phone: 877-734-8399 Fax: 323-721-3538

San Francisco Office

1338 Mission St.

San Francisco, CA 94103 Phone: 415-441-2500 Fax: 415-563-9914 San Jose Office

2995 Moorpark Ave. San Jose, CA 95128 Phone: 408-557-2835 Phone: 800-224-0250 Fax: 408-557-2844 Sacramento Office

1911 F Street

Sacramento, CA 95814 Phone: 916-326-5850 Phone: 877-768-6466 Fax: 916-447-9405

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#### **AGREEMENT**

This Agreement is executed on this November 19, 2015. It is between United Healthcare Workers - SEIU West (hereinafter for convenience called "the Union") and O'Connor Hospital ("O'Connor"), Saint Louise Regional Hospital ("Saint Louise"), St. Vincent Medical Center ("St. Vincent") and St. Francis Medical Center ("St. Francis") (jointly and separately, the "Employers"). This Agreement is the embodiment of the understanding between the parties for the term that it shall be effective; and as such it represents a compromise of all interests resulting from collective bargaining negotiations. The Employers and the Union, and each of the officers thereof executing this Agreement, jointly and severally represent that they are duly authorized to execute this Agreement.

Need to clarify that the contract applies to all facilities unless otherwise specifically indicated.

# Case 2:18-bk-20151-ER Doc 1192-1 Filed 01/02/19 Entered 01/02/19 21:51:43 Desc Exhibit Page 7 of 126

#### **PREAMBLE**

It is the mutual intent of the parties that all Employers, Employees, managers, physicians, and Union Representatives treat each other with dignity, respect, courtesy and trust, and that these principles shall also apply in all dealings with patients and visitors. It is further the intent of the parties that the provisions of this Agreement further these goals.

## ARTICLE 1: SHARED VISION AND RESPONSIBILITY

- A. The Employers and the Union share a commitment to provide high-quality, therapeutic, accessible, affordable healthcare to the communities we serve. The Employers and Union further agree that they shall use their best efforts to provide the highest level of patient care and that they will work together to improve the lives of the people and communities they serve, as well as to maintain a constructive working relationship by: recognizing our own values and the value of others; providing excellent care with gentleness and kindness; acting with integrity, clarity, and honesty; supporting those who lack resources for a healthy life and full human development; and being continuously resourceful and creative. All parties recognize that it is also to their mutual advantage to have efficient and continuous operations of the Hospital in order to provide quality patient care. The Employers acknowledge the benefits of understanding varied cultural/ethnic differences and the need to respect cultural/ethnic diversity.
- B. This Agreement reflects the Parties' commitment to improving quality care; to reducing the cost of healthcare; to reforming the financial framework to serve higher quality and lower costs; to enabling the employer to manage and operate the hospitals within the system efficiently; to making hospital workers the healthiest in California; to making hospital jobs the most desirable in California; and to making California the healthiest state in the country. This Agreement not only embodies these joint commitments, but is premised on the principle that through Labor-Management collaboration and through the joint pursuit of the "common good," we can remake the healthcare system into what is needed at this moment for patients, healthcare workers, and healthcare Employers.

## C. Management Rights

#### Retained Rights of Management

Subject to the provisions contained in this Agreement and laws and regulations governing patient care and the practice of nursing, the Employer has the right to operate its business, which includes the right to determine, change, discontinue, alter, or modify in whole or in part, temporarily or permanently, any of the following:

- 1. The number, location, or types of facilities;
- 2. The medical and patient care standards, methods;
- 3. The price of all products and services, the price of all purchases, and the corporate and financial structure of the facilities;
- The equipment and machinery;

- 5. The promotion and demotion of all Supervisors at the facilities, provided that the creation of new Supervisorial positions shall not displace bargaining unit Employees;
- 6. The number of Employees, including the number of Employees assigned to any particular procedure or shift, and whether, when, or where there is a job opening;
- 7. Reasonable standards of performance and whether any Employee meets such standards;
- 8. The need for and the administration of physical examinations or psychological tests, background information, criminal record or drug screening as they pertain to new or probationary Employees;
- The direction and supervision of all of the Employees;
- 10. The adoption of reasonable rules and regulations for all of the Employees;
- 11. The hiring of Full-Time, Part-Time, and Per Diem Employees and the number thereof;
- 12. The utilization of registry and traveling Employees;
- 13. The security of the Employees, premises, facilities, and the property of the Employer; and
- 14. The utilization of the Employer's premises, equipment, and facilities.

## ARTICLE 2: CONTINUOUS QUALITY IMPROVEMENT

Continuous quality improvement is critical to our success. A number of our hospitals' large payers, both governmental and private, have implemented payment reforms tied to clinical processes, patient care experiences, mortality rates, and outcomes. The Parties believe that improving patient care is critical to our success. Employees also desire to improve their work lives by improving the input into key decisions and then observing the outcomes and results. We commit to a course that is evidence-based, that holds all participants (the Employer, the Union, and Employees) accountable in areas that require greater focus, and that ultimately allows all participants to share the rewards of our success.

#### ARTICLE 3: RECOGNITION OF UNION AND EXCLUSIONS

A. The Employers recognize the Union as the exclusive representative of Employees covered by this Agreement in the following single bargaining unit. At O'Connor, the Employer recognizes the Union as the exclusive representative for all Full-Time, Regular Part-Time, Limited Part-Time and Per Diem Service and Maintenance and Technical Employees employed by O'Connor Hospital, including those listed in Appendix B: At Saint Louise, the Employer recognizes

the Union as the exclusive representative for all Full-Time, Regular Part-Time, Limited Part-Time and Per Diem Service and Maintenance and Technical Employees employed by Saint Louise, including those listed in Appendix B. At St. Francis, the Employer recognizes the Union as the exclusive representative for all Full-Time, Regular Part-Time, Limited Part-Time and Per Diem Service and Maintenance and Technical Employees employed by St. Francis, including those listed in Appendix B. At St. Vincent, the Employer recognizes the Union as the exclusive representative for all Full-Time, Regular Part-Time and Per Diem Service and Maintenance and Technical Employees employed by St. Vincent, as described in NLRB Election Certification 31-RC-8876. This Agreement shall not apply to executive or professional Employees, nor to Employees presently represented by any other collective bargaining representative recognized by the Employers, nor to confidential Employees, nor to supervisory personnel as defined by Section 2(11) of the NLRA.

- B. This Agreement shall also apply to any other classification(s) which may be established within the scope of duties now included within this bargaining unit.
- C. The Employers agree to recognize the Union as the collective bargaining agent on behalf of Employees in any appropriate unit, as defined herein, where a majority of Employees voting vote for SEIU-UHW representation. Such Employees shall be accreted into and covered by this Agreement upon certification of the election results by the NLRB or third party. Where classifications are accreted into this Agreement that are not currently covered, the parties will meet and negotiate over their wages and other terms and conditions that are not already covered by this Agreement.
- D. The Employers agree not to, and expressly waive any right they may have to withdraw recognition concerning, to petition for unit clarification concerning, or in any other way to challenge the inclusion in the bargaining unit of any Employees or classifications or job titles who or which are currently included in the unit on the grounds that they are or may be supervisory or supervisors.

# ARTICLE 4: STANDARDS PRESERVED, PAST PRACTICES AND PRIOR AGREEMENTS

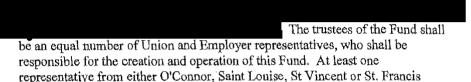
- A. No Employee shall suffer any reduction in wages or benefits as a result of coverage under this Agreement, unless specifically provided for otherwise in this Agreement.
- B. Past practices in place at the time of the signing of this Agreement will NO LONGER be binding or applicable. Side letters entered by the parties prior to the signing of this Agreement shall no longer be applicable unless newly executed.

- C. With the exception of arbitration decisions, this Agreement supersedes all past practices and all previous oral and written agreements between the Union and the Employers. The parties agree that the relationship between them shall be governed by the terms of this Agreement, or any other amendments, modifications, or alterations thereto.
- D. Additions, changes or amendments shall not be controlling in any way, unless such additions, changes or amendments are reduced to writing and dully executed by the parties subsequent to the date of this agreement.

#### ARTICLE 5: JOB SECURITY

- The parties acknowledge a common goal and intent of providing employment and A. income security to Employees. As such, it is the intent of the parties to avoid displacement of Employees, but recognize that there are circumstances when avoiding displacement cannot be achieved. The parties acknowledge a mutual intention to make use of attrition, business growth, aggressive job matching, retraining and/or other mutually agreed upon mechanisms to accomplish this goal. The Employers will make every effort to avoid displacing Employees (e.g., reduction in force, reduction in hours, daily cancellations, job elimination on a Temporary, indefinite, or permanent basis, etc.) and in so far as it is able, will provide employment security to bargaining unit Employees. The parties agree that Employees faced with displacement from their position shall be given first consideration for reassignment or floating wherever possible in lieu of involuntary reduction. Furthermore, if an Employee is unavoidably displaced, the Employers will assist Employees in identifying other job opportunities in other departments at the home facility, or at other facilities of the Employer. The Employers also agree to the following:
- Beginning after January 1, 2018, Regular Full-Time and Regular Part-Time В. Employees who are covered by this Agreement and who have ten (10) or more years of service shall not be permanently laid off or have their hours permanently reduced except (1) if they have been or are being suspended or terminated for cause; (2) if the Union and Employee have voluntarily agreed to such reductions; or (3) under the circumstances set forth in (a) through (d) below. Employees who are covered by this Agreement and who have ten (10) or more years of service may be laid off for any of the following reasons: (a) the state or federal government declare a state of emergency; (b) material changes have been made in the laws regulating and providing health care delivery in-California or the USA: (c) the economy has suffered a substantial economic downturn; or (d) the relevant hospital fails to generate a positive cash flow (EBIDA less Cap Ex). In these circumstances, the Employer will undertake its best efforts to provide secure jobs for its Employees to the extent possible. Prior to the implementation of any layoff of an Employee with ten (10) or more years of service, for any reason or combination of reasons in this subsection, the Employer shall meet with the Union to discuss the decisions and bargain over the effects of any such layoff.

- C. With respect to Employees covered by this Agreement who have less than ten (10) years of service, the Employer has the right to temporarily or permanently layoff such Employees based on the needs of the business. In addition prior to January 1, 2018, the Employer has the right to temporarily or permanently layoff any Employee as allowed by this Agreement.
- D. Training and Upgrade Fund



#### ARTICLE 6: SUBCONTRACTING

There will be no subcontracting of bargaining unit work performed by Employees, except by mutual agreement between the Employers and the Union. Upon request by an Employer, the Union agrees to meet and confer with the Employer regarding its need to subcontract work. The Union will undertake its best good faith efforts to try to reach an agreement with the Employer that provides for a viable solution to achieve the objectives intended by the proposed subcontracting. The Employer may continue to subcontract bargaining unit work that has historically been subcontracted.

would like to be considered as an Employers' trustee for this Fund.

Unless otherwise agreed, the Employers shall not proceed with such subcontracting/outsource contract unless the subcontracting/outsource company offers all impacted employees comparable employment and recognizes the Union as the bargaining representative of current bargaining unit employees to be outsourced. The subcontracting/outsource company shall agree to assume the parties' collective bargaining agreement, except for the defined benefit described in Article 28, which shall remain the sole and exclusive liability/obligation of the Employers. The Employers will maintain responsibility for the outsourced employee's defined benefit pension liability on par with existing employees.

## ARTICLE 7: EQUAL EMPLOYMENT OPPORTUNITIES

## A. Discrimination

- Neither the Employers nor the Union will engage in conduct that would constitute unlawful discrimination under the National Labor Relations Act. Union activities shall not interfere with the normal operations of the Employers.
- 2. Neither the Employers nor the Union shall discriminate for or against any

Employee because of race, creed, color, religion, age, sex, sexual orientation, national origin, ancestry, disability, medical condition, veteran status (including Vietnam-era or disabled veteran status), political affiliation, marital status or in violation of any City, State or Federal laws.

- 3. Each party retains its right to challenge any administrative, judicial or other ruling or interpretation of any applicable laws relating to any form of discrimination if it disagrees with such ruling or interpretation.
- 4. Any grievance alleging in whole or in part, discrimination as set forth above may either be pursued through the provisions of Article 31, Grievance And Arbitration, and/or through statutory remedies.

## B. Equal Pay

There shall be no distinction between the wages paid to men and the wages paid to women for the performance of comparable quality and quantity of work on the same or similar operations.

#### ARTICLE 8: UNION MEMBERSHIP

#### **Union Security Provisions**

#### A. Union Membership Requirements

- 1. During the life of this Agreement, Employees of the Employers who are covered by this Agreement shall be required as a condition of employment to meet and maintain the core requirements of membership in the Union in good standing, subject to federal law. Compliance is required by the 31st day after employment or the 31st day after the date of this Agreement, whichever is later.
- 2. The Union shall notify the Employer and the affected Employee in writing of an Employee's failure to comply with the provisions of this Article and shall afford each such Employee fifteen (15) work days, after the Employee has been mailed such notice at his or her last known address, in which to comply. If said Employee does not comply with the provisions of this Article within the ten (10) day period following actual notice, the Employee shall be promptly terminated upon written notice of such fact from the Union and the Employer. The Union will hold the Employer harmless from any claims or liability arising out of this Section, including the expense of defending against such claims.

#### B. Notice to New Employees

 At the time a new Employee, who will be covered by this Agreement, is hired, the Employer shall deliver to the Employee a written notice stating that the Employer recognizes the Union as the collective bargaining agent for the Employees covered by the Agreement and a Union application, dues authorization card, and COPE authorization card. This written notice shall quote or paraphrase the provisions of this Article of the Agreement.

2. The Employer will also provide each new Employee with a list, prepared by the Union, of current Union Problem Solvers, their departments and/or work areas and telephone numbers.

## C. Deduction of Union Membership Fees and COPE Check-Off

- 1. The Employer will honor an authorization by Employees to withhold from wages and remit to the Union for the payment of Union membership fees when such authorizations are submitted in a form agreed to by the Employer and the Union.
- 2. The Employer will promptly remit the financial obligations deducted pursuant to such authorizations, together with a list on hard copy and a disk or electronically showing the following information for Union rate, former and new department, shift status (i.e. regular, Part-Time, Per Diem, Temporary) and date of transfer. The Employer is not required to provide that data for Employees who have transferred out of the bargaining unit, other than a list of Employees with their name, former and new department, date of transfer and social security number.
- 3. The Employer hereby agrees to honor COPE contribution deduction authorizations from its Employees who are Union members.
- 4. The Union will hold the Employers harmless against any claim which may be made by any person by reason of the COPE deductions described herein, including the cost of defending against such claim. The Union will have no monetary claim against the Employers by reason of failure to perform under this Article.

#### ARTICLE 9: BULLETIN BOARDS

The posting of Union notices will be limited to the bulletin boards to which the Union is given use under this Section.

A. At Saint Louise, the Union shall be given use of one (1) glass, locked, and enclosed bulletin board located in the hallway near engineering, near east entrance for the exclusive use of the Union.

In addition, the Union shall be given use of unlocked bulletin boards in the following locations:

Admitting	Dietary
Housekeeping	Laboratory
MSP	Labor and Delivery

Diagnostic Imaging	Materials Management
Respiratory Therapy	Surgery
Central Processing	Pharmacy

B. At O'Connor, the Union shall be given use of one (1) glass, locked, and enclosed bulletin board located in the hallway (next to the Human Resource bulletin board) leading to the Cafeteria, for the exclusive use of the Union.

In addition, the Union shall be given use of unlocked bulletin boards in the following locations:

Pharmacy	ER		
ER Registration	EVS		
Sports Medicine	Nutritional Services		
Laboratory	Surgery		
Center for Life	Pathology		
Radiology	Med Surg Oncology		
Labor & Delivery (3W)	Nursery		
Med Surg Ortho	Ambulatory Surgery		
ICU	Medical Records		
Physical Medicine	2 SE 2nd Floor		
Radiation Therapy	Inpatient Admitting		
Supply	Distribution		
Out-Patient Admitting	Wound Care Center		
Telemetry/ICTU			

- C. At St. Francis, the Employer will provide locked bulletin boards of a size not less than two (2) feet by three (3) feet, glass enclosed with a key provided to the Union, for the exclusive use of the Union. List of locations as follows:
  - 1. Family Life
  - 2. Human Resources
  - 3. PCU Building
  - 4. Health Services Pavilion (HSP)
  - 5. Tower, Terrace Level, Support Services Corridor

Additionally, the Union will have access to a space not less than 8½ inches by 14 inches on existing bulletin boards in all break rooms or equivalent areas in bargaining unit Employees' home departments.

D. At St. Vincent, the Employer shall have two (2) glass, locked and enclosed bulletin boards located outside the doctors' dining room for posting of official Union business.

## ARTICLE 10: CATEGORIES OF EMPLOYEES

A. Employee Categories Described: There shall be five (5) Employee categories:

## Regular Full-Time

A "Regular Full-Time" Employee is one who is regularly scheduled on a predetermined basis for forty (40) hours in each workweek, or eighty (80) hours in each fourteen (14) day pay period, or thirty-six (36) or more hours in a workweek in the case of any Employee regularly scheduled on an alternative work schedule. Commencing on the first of the month following completion of the Employee's thirty (30) day waiting period, the employee will be eligible for Paid Time Off and health and welfare benefits.

#### 2. Regular Part-Time

A "Regular Part-Time" Employee is one who is regularly scheduled on a predetermined basis to work at least thirty (30) hours but less than forty (40) hours in each workweek, or at least sixty (60) hours but less than eighty (80) hours in each fourteen day period (except for Employees referenced in "1." above who work twelve-(12) hour shifts). Commencing on the first of the month following completion of the Employee's thirty (30) day-waiting period, the employee will be eligible for Paid Time Off and health and welfare benefits.

Transition of Updated Definition of Regular Part-Time

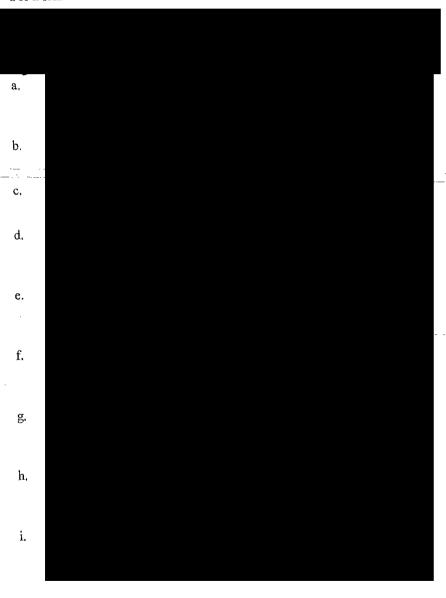
- a. New Hires the above definitions of Regular Full-Time and Regular Part-Time will apply to new hires with a start date of December 1, 2015, or later.
- b. Current Employees classified as Regular Part-Time who work 20 hours and less than 30 hours in each workweek will be offered a Regular Part-Time position working 30 hours per workweek or more prior to January 1, 2017. Regular part-time employees who work less than 30 hours per week and are currently receiving medical or other benefits shall continue to receive those benefits until such time as the employee either waives benefits and/or is offered a benefited position in accordance with "c" below and declines such position, in which case the employee shall become benefits ineligible the following month.
- c. Employees will be offered open Regular Part-Time positions in their job classification in seniority order. If no Employee accepts the position within the seven (7) day posting period, the lowest senior Employee in that job classification will be given the choice of taking the available position or staying in their current position as a Limited Part-Time Employee without benefits. The Employee's benefits will terminate the last day of the month in which the employee makes the choice to remain in the Limited

Part-Time position.

## 3. Limited Part-Time

Limited Part-Time. A "Limited Part-Time" Employee is one who is regularly scheduled on a predetermined basis to work less than thirty (30) hours in each workweek, or less than sixty (60) hours in each pay period.

## 4. Per Diem



#### 5. Temporary

Before resorting to Registry or Temporary Agency personnel, the Employers shall offer Temporary work to existing Employees. A Temporary Employee is one who is hired either Part-Time or Full-Time on a pre-determined work schedule to work for a limited period which shall not extend beyond ninety (90) calendar days. The ninety (90) calendar days may be extended in any given case by mutual agreement of the Union and the Employers, and the Union's agreement to such extension will not be unreasonably denied.

- In the event that a Temporary Employee becomes a Regular Full-Time or Regular Part-Time Employee, the qualifying date for any applicable pay raises pursuant to Article 18 starts with his or her most recent date of continuous employment, and the qualifying date for fringe benefit eligibility and accural is the date of reclassification to Regular Full-Time or Part-Time status.
- b. A Temporary Employee shall not be terminated solely to prevent his or her advancement to Regular or Limited Part-Time status when the Temporary job continues in effect or for the sole purpose of Reeping a regular job constantly staffed by Temporary Employees.
- c. Posting Temporary Positions. Temporary positions will be posted in accordance with Article 14, Seniority and Job Vacancies, if such positions are expected to last for periods in excess of thirty (30) days. A Temporary position is a position for which the Employers establish a pre-determined work schedule for a limited duration not expected to exceed ninety (90) days and which the Employers intend to fill a pre-scheduled regular basis.
- d. Return from Temporary Position. If a Regular Full-Time,
  Regular Part-Time, Limited Part-Time, or Per Diem Employee
  successfully bids for a Temporary position, he/she will maintain
  his/her Employee category and, in the case of a Regular Full-Time
  or Regular Part-Time Employee, will continue to accrue benefits
  and upon the conclusion of the Temporary assignment, he/she shall
  return to his/her former position.
- e. In this case, the vacated position of this Employee will also be posted, but any Temporary position resulting from the bidding of the second posting will not be posted, unless the second (or other vacant position) is a Regular Full-Time or Regular Part-Time position.
- f. An Employee working in a Temporary position shall not be

reclassified to Regular Employee status unless such position extends beyond ninety (90) days.

- B. Allocation of Additional Hours of Work
  - 1. Additional hours of work is Temporary work, work required due to a sudden increase in patient census that was not anticipated, work that is not pre-scheduled or a hole created in the schedule by the scheduled time off of regularly scheduled Employees.
  - 2. Availability for Work. Limited Part-Time Employees and Per Diem Employees will submit, in writing, their availability for work. Full-Time, and Part-Time Employees will submit, in writing, their availability for additional work. Employees will indicate the days of the week and shifts for which they are available. The Employers shall maintain such records and lists by classification and Employee category so that the provision of this Section can be properly maintained.
  - 3. The Employers shall offer additional hours of work to Employees who have made themselves available in the same classification and department as long as the additional work would not cause the Employers to incur overtime or double time liability. The Employers will offer pre-scheduled additional hours of work by seniority according to the following preference list.
    - a. Regular Full-Time Employees who have been canceled due to Low Census Days, as long as the additional work would not cause the Employer to incur overtime or double time liability.
    - b. Regular Part-Time Employees who have been canceled
    - c. Regular Part-Time
    - d. Limited Part-Time
    - e. Per Diem

The above preference order will not result in bumping Employees out of work which is prescheduled.

- 4. If the Employers cannot fill the additional hours of work at a straight time rate, overtime will be offered to qualified Employees by seniority before resorting to Registry.
  - a. Overtime shifts will be assigned from a list of those Employees indicating their desire to work such shifts,
  - b. Scheduled and unscheduled voluntary overtime will be offered

- beginning with the most senior Employee on the voluntary overtime list and rotating through the list.
- c. Employees shall have the right to decline the overtime if offered, except as provided in the section on Mandatory Overtime, below.
- 5. Mandatory Overtime: The Employers and the Union recognize that mandatory overtime is not desirable and represents a burden on the Employees. Acceptance of overtime and shifts beyond the Employee's schedule shall be voluntary and in accordance with state law or regulations, except where patient care would be endangered by an internal or external emergency declared by state, local or federal government, or declared by the administrator on duty. An internal or external emergency, for the purposes of this section is defined as an unexpected situation and sudden occurrence of a serious and urgent nature that demands immediate action.

#### C. Reclassification

The reclassification provisions shall not apply to hours worked by an Employee temporarily replacing another Employee who is on any approved leave of absence.

- 1. A Per Diem or Limited Part-Time Employee who regularly works sixty (60) hours or more each pay period, every pay period (in a single job classification but not necessarily on the same list) for ninety (90) days or more shall be reclassified, to Regular Employee status, and the applicable regular work schedule. The applicable work schedule shall be based on the lowest number of hours worked during any pay period within the ninety (90) calendar day period. Any reclassification to Regular Employee status under this paragraph shall be effective as of the 90th day, except:
  - a. Benefit accruals shall be effective as of the beginning of the pay period closest to the date of such reclassification and are subject to any waiting period or other requirements contained in the Agreement;
  - b. If retroactive corrections in status are made, health benefits and life insurance shall be effective prospectively (at the beginning of the following month), and the Employee shall have no deduction for any premium in lieu of benefits received in the interim.
- 2. A Per Diem Employee shall not be reduced in hours solely to prevent his or her advancement to Regular or Limited Part-Time status when the Per Diem hours continue to be available or for the sole purpose of keeping a regular job constantly staffed by Per Diem Employees.

- A Regular Part-Time Employee who is regularly assigned for ninety (90) 3. calendar days or more to a work schedule which exceeds the Employee's regular work schedule by at least a full shift, for each and every pay period of the ninety (90) day period (e.g. a Regular Part-Time 4/5 Employee is regularly assigned a Full-Time schedule), shall be reclassified to the applicable regular work schedule provided that the additional hours fall on the Employee's normal shift. For the sole purpose of the first sentence (1) if the Employee has Paid Time Off (PTO/ESL) for a one week period or longer, the ninety (90) day period shall be extended by the same number of days for which the Employee was off work on such Paid Time Off, and (2) if the Employee has a paid day off, on a scheduled workday, such day(s) shall be counted as a regularly assigned workday. The applicable regular work schedule shall be based on the lowest number of additional shift(s) worked during any pay period within such ninety (90) day period. Any reclassification under this Paragraph shall be effective as of the ninetieth (90th) day, and increased benefit accruals shall be effective the beginning of the pay period closest to the date of such reclassification. The provisions of this Paragraph may be waived only by the mutual written agreement of the Employee, the Union and the Employers.
- 4. Employees performing duties in a higher classification for ninety (90) calendar days shall be reclassified to the higher classification on the ninety-first (91st) day, unless the Employee is covering for an Employee on a leave of absence for any duration. The Employer shall not reassign duties for the sole purpose of avoiding the reclassification.
- 5. For the purpose of this Section only, shifts shall be defined as follows: (1) Days start on or after 5:00 a.m. but prior to 12:00 noon; (2) PMs start on or after 12:00 noon but before 10:00 p.m.; and (3) Nights start on or after 10:00 p.m. but before 5:00 a.m.

#### ARTICLE 11: FULL-TIME EMPLOYMENT

## A. Thirty-six (36) hours per week Employees

Employees who work a twelve (12) hour shift, three (3) days a week, shall be guaranteed a minimum of 936 hours of work or wages over a six (6) month period.

B. Forty hours per week Employees

- C. Paid Time Off (PTO), which is taken voluntarily, paid time for meetings, and overtime hours will count as hours worked toward the guaranteed hours; provided, however, that the Employers shall not require an Employee to involuntarily take PTO to satisfy the applicable number of guaranteed hours under this Section.
- D. If an Employee fails to work scheduled hours, such hours will be subtracted from the total guaranteed hours.
- E. If an Employee is suspended due to discipline for cause, such hours will be subtracted from the total guaranteed hours.



G. At or around July 1 and January 1, the Employers will assess and account for the hours worked by each Full-Time Employee to ensure that to the extent possible consistent with business conditions, they have worked the guaranteed minimum hours and to make deficient Employees whole financially, consistent with the above provisions.

## ARTICLE 12: PROBATIONARY PERIOD

- A. Regular Full-Time and Part-Time Employees shall be on probation for ninety (90) calendar days following their date of hire. All other Employees shall be on probation for 135 calendar days or the completion of sixty-five (65) shifts, whichever occurs first, after date of hire.
- B. At its sole discretion, the Employers may terminate the employment of any probationary Employee and such termination shall not be subject to the grievance procedure of this Agreement. Nothing in this Agreement shall preclude a grievance alleging violation of Article 7 Equal Employment Opportunities during the Employee's probationary period.
- C. The probationary period may be extended by an additional thirty (30) days with notice to the Union. The Employer may extend the probationary period beyond the additional thirty (30) days only with the consent of the Union.
- D. At the completion of the probationary period, seniority date shall be from the

Employee's most recent date of hire into a bargaining unit position by the Employers.

## ARTICLE 13: NEW EMPLOYEES, ORIENTATION, EMPLOYEE LISTS

- A. During the new hire orientation for new Employees, the Employers will allow a representative of the Union up to one (1) hour during the final period of such program, to discuss the Union and the terms of this Agreement. Attendance by new Employees shall not be counted as work time if the discussion causes the orientation to exceed eight (8) hours in the workday. However, the Employers will make every effort to ensure that the Union orientation occurs within the eight-hour period. In the event a Shop Steward is assigned, the Steward shall be released from work without loss of pay to participate in the session, provided that patient care permits. Where such program is regularly scheduled such release should normally occur.
- B. The Employers will provide to the Union the following information no later than the 15th of each month in both hard copy and on disk (on Excel or Quattro Pro or any similar computer format):
  - 1. a list of new hires, including their name, home address, home phonenumber, classification, wage rate, department, shift, status (i.e. Regular Full-Time, Regular Part-Time, Per Diem, Temporary), and date of hire;
  - 2. a list of terminations, including the name, home address, home phone number, classification, department, shift, status (i.e. Regular Full-Time, Regular Part-Time, Per Diem, Temporary), date of termination, and reason for termination (i.e. resignation, discharge, permanent reduction in force, retirement); and
  - a list of Employees who have transferred into, or within the bargaining unit, including name, home address and phone number, in addition to an Employee's former and new classification, former and new wage rate, former and new department, shift status (e.g. Regular Full-Time, Regular Part-Time, Per Diem, Temporary), and date of transfer. The Employers are not required to provide the data for Employees who have transferred out of the bargaining unit, other than a list of Employees with their names, former and new departments, and dates of transfer.

## C. Use of Social Security Numbers

1. The Union represents that it intends to use Employee social security numbers for its valid business purposes relating to its record keeping and dues collection functions only, and agrees that it will use its best efforts to keep Employee social security numbers confidential.

2. The Union agrees to indemnify and hold harmless the Employers from any and all claims and liabilities that result from the Union having been given Employee social security numbers. The Union further agrees that, where required, the Employers will provide Employee social security numbers to the Union on lists (in hard copy and electronic format) separate from Employee addresses and telephone numbers.

## ARTICLE 14: SENIORITY AND JOB VACANCIES

#### A. Bargaining Unit Seniority

Bargaining unit seniority shall be defined as the period of continuous employment from the most recent date of hire that a Full-Time, Part-Time or Per Diem Employee works in a job classification covered by this Agreement. Bargaining unit seniority shall not be adjusted for legally protected leaves of absence. If an Employee terminates or leaves a covered job classification and returns within three (3) months or less, the time away from the bargaining unit will not be adjusted, and the previous bargaining unit seniority date would remain. If an Employee returns to a covered job classification after three (3) months or more, their previously accrued bargaining unit seniority will not be bridged, and their bargaining unit seniority will be reestablished as of the new date they are placed into a job classification covered by this Agreement.

#### B. Department Seniority

Department seniority is defined as the date of hire into the current department or date of hire into the former department if placed in the current department as a result of reorganization or restructuring of work. Department seniority shall have limited uses as described below.

Department seniority shall govern in the following applications only within the department: job bidding for higher rated or equal classifications within the department only, additional hours, PTO scheduling, and designated holiday scheduling. For all other purposes, bargaining unit seniority shall govern.

#### C. Seniority List

There shall be one bargaining unit seniority list, which shall be updated every month and sent to the Union representative. A separate quarterly list shall be maintained for Per Diem and On-Call Employees, and they shall be ranked on such list by total hours of employment.

## D. Use of Seniority

Seniority may be utilized in accordance with the terms of this Agreement.

## E. Loss of Seniority

An Employee's seniority will be permanently lost under the following scenarios:

- 1, Voluntary termination of employment, unless rehired within three (3) months;
- 2. Discharge for just cause;
- 3. Failure to return from any authorized leave of absence (In the event of an emergency, the Employee will receive an additional 5 business days to request an extension);
- 4. Failure to return to work within thirty (30) days after being recalled to work;
- 5. Layoff of two (2) years or more; or
- 6. Voluntary transfer to a non-bargaining unit position unless returned to bargaining unit within 90 days.

## F. Retained Seniority

If an Employee transfers from Full-Time or Part-Time to Per Diem status, she or he shall not lose his or her seniority and such seniority shall continue to accrue.

#### G. Job Vacancies, Posting and Bidding

Positions under this Agreement which are permanently vacated and/or newly created will be posted internally for an initial period of seven (7) calendar days. Interested Employees may bid for such jobs within the seven (7) calendar day period by completing a transfer request form provided by the Employer for that purpose. The seven (7) calendar day period for posting and receiving bids may be extended or shortened at the Employer's discretion. Posting for open positions shall be displayed at appropriate locations at the Employer. Job title, shift, minimum requirements, primary functions and status will be included in the posting. Should temporary positions become available for permanent placement, the position must be posted. All current associates who meet minimum requirements are to be given primary consideration. This does not prevent the Employer from filling the vacancy on a Temporary basis until such position is filled.

1. **Bidding on Posted Vacancies.** Any current Employee who has successfully completed his/her probationary period in accordance with Article 12 may apply for a posted vacancy by completing the transfer request process.

- 2. Restriction on Bidding. An Employee who applies for and is awarded a posted position may not be awarded another posted vacancy within the next six (6) months. This rule shall not apply:
  - a. If a posted vacancy arises in the same department which would change the number of pre-scheduled hours of the bidding Employee, or the scheduled start and end times, or the days of work and days off, or the Employee's shift, or would change the Employee's classification; or
  - b. If the bidding Employee is in his/her current position as a direct result of a job change or layoff.
  - c. Limitation. It is understood that any bid under this Article is limited to vacancies in bargaining unit positions and not to assignments arising from rotation of personnel, paid time off, or sickness relief.

#### 3. Preference Order

Preference among those bidding shall be given in the following order—among bidding Employees from the same preference level. Among bidding Employees from the same preference level, seniority shall govern. The prior sentence is subject to the provisions that (1) the bidding Employee must meet all reasonable qualifications of the job established by the Employers (the Union has the burden of establishing that the Employers' qualifications are unreasonable), and (2) ability and performance must meet minimum requirements in the Employers' reasonable judgment, and if the Employers' judgment is disputed, the Employers have the burden of establishing that their judgment was reasonable.

- a. Regular Employees from the same department, including Regular Employees on layoff, and Regular Employees who remain on the Per Diem list who have been laid off.
- b. Regular Employees from other departments and Limited Part-Time Employees from the same department, including such Employees on layoff, and Regular Employees who remain on the Per Diem list.
- c. Per Diem and Temporary Employees, in that order, from the same department.
- d. Limited Part-Time Employees from other departments.
- e.— Per Diem and Temporary Employees, in that order, from other departments.

- f. Regular Employees from another facility covered by this Agreement, in a comparable classification from the same department.
- g. Regular Employees from another facility covered by this
  Agreement, from another department, and Limited Part-Time
  Employees from another facility covered by this Agreement, in a
  comparable classification from the same department.
- h. Per Diem and Temporary Employees, in that order, from another facility covered by this Agreement, from the same department.
- i. Limited Part-Time Employees from another Verity facility covered by an SEIU contract, from other departments.
- j. Per Diem and Temporary Employees, in that order, from another facility covered by this Agreement, from other departments.
- k. Applicants who are former Employees who left in good standing with not more than one (1) year's absence from the Employers.
- 1. Other applicants.

## 4. Application of Seniority for Transferring Employees

- a. Employees who are transferring from another Employer covered by an SEIU contract, shall have their bargaining unit seniority with the previous facility recognized for the purposes of wage rates and benefit accruals.
- b. With regard to the application of seniority, for the purposes of layoffs and subsequent job bidding, bargaining unit seniority from the previous facility will be credited provided that the facility from which the Employee originates reciprocally recognizes the seniority of an Employee from another Employer covered by an SEIU contract.

#### 5. Notification of Selection

Employees submitting a written bid for a posted vacancy under this subsection shall be informed by the Employers whether or not they are awarded the position.

## 6. External Selection

For vacancies that are not filled internally (i.e. according to the preference order set forth above), the Employers may employ the person who, in its

judgment, will make the best Employee. The Employers shall be the sole judge of the fitness of any applicant.

## 7. Seniority Application

The seniority of bidding Employees shall be determined by the Employee's bargaining unit seniority rather than in the particular classification or Employee category.

#### 8. Limitation

It is understood that any bid under this Article is limited to vacancies in bargaining unit positions and not to assignments arising from rotation of personnel, paid time off, or sickness relief.

#### 9. Potential Vacancies

Employees expected to be on vacation for a period of more than seven (7) days may submit a request for transfer to a potentially available position. Such request must be submitted in writing to the Human Resources Department. Such written request shall constitute an automatic bid for thirty (30) days or for the period of vacation, whichever is less. It is understood that any written request under this Article is limited to vacancies or potential vacancies in permanent positions subject to this Agreement.

#### 10. Evaluation Period after Promotion or Transfer

Employees who are promoted to a new position or who transfer to another position through the bidding process, shall have up to ninety (90) days of evaluation of their performance. If, at any time within such ninety (90) day period, the Employee fails to perform satisfactorily, such Employee shall be returned to his/her former position including shift, assignment and scheduled hours without loss of seniority, provided his/her former position is still available. If the Employee's former position is not available, the Employee shall be returned to a comparable position in the same classification, provided such position is available, or become a Per Diem Employee in their previous classification until such time as they are able to re-apply into a benefited position.

#### 11. Departmental Structure

The following are the Hospitals' departments for purposes of bidding, layoff, and recall only. These departments shall not apply to any other section of this Agreement.

## At Saint Louise and O'Connor Only:

Admitting	Cardiopulmonary		
Clerical	Diagnostic Imaging		
EVS	Laboratory		
Materials Management	Medical Records		
Nutritional Services	Patient Care Services		
Pharmacy			

## At St. Francis Only:

Admitting	Adult Respiratory Therapy/Pulmonary Lab			
BioMed	Cardiology/Cath Lab			
Case Management	Central Processing			
Clerical	Diagnostic Imaging			
Dietary/Nutritional	Engineering			
Services				
EVS	Gift Shop			
Lab	Materials Management			
NICU Respiratory Therapy	Patient Care Services			
Pharmacy				

## At St. Vincent Only:

Admitting	Multi-Cultural Health Awareness		
APLC	Nursing (Acute Rehab, ICU, Med Surg-6, Med		
	Surg-7, Short Stay, TCU, Telemetry)		
CTC	Orthopedic Services (JRI, Spine, Ortho)		
Cardiac Cath	POB Dialysis		
Cardiology-OP	Radiology Services/Diagnostic Imaging (CT,		
	MRI, Ultrasound, X-Ray, Mammography,		
	Nuclear Medicine)		
	Receptionists		
Central Services Supply	Respiratory		
Clinical Lab & Pathology	Surgical Services (Doheny & Main)		
Communications	Transplant Services (Pre & Post)		
Emergency Room	Unit Secretary		
Gift Shop/Guest Relations	Pharmacy		

## 12. Seniority Tie Breaker

If Employees have the same seniority date, the following tie-breaker will be used to determine the seniority order:

_	T3-4-	Carat	
a.:	Date	mst	worked.

- b. If the date first worked is the same, date of submission of application for employment.
- c. If the date of submission of application is the same, the larger of the last four (4) numbers of the Employees' social security numbers.

## ARTICLE 15: LAYOFF AND RECALL

## A. Layoff Defined

Temporary Layoff is defined as a layoff which is not expected to be more than one (1) to fifteen (15) calendar days. Indefinite layoff is defined, as a layoff, which is of uncertain duration and is expected to be in excess of fifteen (15) days. Permanent layoff is defined as a layoff in which there is no reasonable expectation of recall. Associate status or classification changes for any reason do not entitle an associate to severance pay.

## B. Implementation of Indefinite or Permanent Layoff

If after exercising every effort to avoid layoff in conformance with Article 5, it isnecessary to conduct an indefinite or permanent layoff, then such layoff shall be
undertaken through the following procedure. It is the intent of the following
provisions to protect the most senior Employees in case of reductions, and to
preserve their shift and hours as is practicable under the circumstances.

#### 1. Notice

Prior to implementing an indefinite or permanent layoff, the Employers will provide the Union and affected Employees with thirty (30) days written notice and six (6) months notice in the case of facility closure.

#### 2. Order

Indefinite or permanent layoffs shall occur in the following order:

- a. Volunteers
- b. Temporary
- c. Probationary
- d. Per Diem
- e. Limited Part-Time
- f. Regular Part-Time
- g. Regular Full-Time

Indefinite or permanent layoffs will be in reverse order of seniority by classification within a department, provided that the remaining Employees are qualified and able to perform the work with reasonable orientation and/or training.

#### C. Alternative Arrangements

Upon mutual agreement the Union and the Employers may agree to an alternative arrangement regarding reduction in force.

## D. Time Frames Regarding Layoffs

The Union and the Employers acknowledge their mutual intention to meet and address issues involving reductions in force in an expeditious manner, and such issues shall be resolved without undue delay. Accordingly:

- a. In situations involving ten (10) or fewer Employees, alternatives to the layoffs shall be identified and implemented in thirty (30) days or less; and
- b. In situations involving more than ten (10) Employees, alternatives to the layoffs shall be identified and implemented in sixty (60) days or less.

#### E. Arbitrator

Should the Employers and Union fail to reach agreement on alternatives to the reductions in force within the timelines set forth above, the matter shall be submitted to a permanent Arbitrator within five (5) days of the expiration of the timelines set forth in (1) and (2) above and the Arbitrator shall issue a decision within thirty (30) days thereafter. The Employers and the Union may mutually agree to extend the timelines above. Should the Arbitrator find that either party, through action or inaction, has caused undue delay or otherwise failed to provide relevant information, the Arbitrator may extend the thirty (30) day time limit for issuance of a decision by an additional fourteen (14) days. During the term of this Agreement, the permanent Arbitrator shall be John Kagel. It is not the intent of this paragraph to circumvent any rights the parties may have under Article 30: Committees or other provisions of the collective bargaining agreement.

## F. Transfer Rights

Bargaining unit Employees who are subject to layoff may submit a bid for an existing or potential vacancy under the job bidding procedure set forth above. An Employee who is subject to layoff and who is interested in being oriented and/or trained for a vacant position covered by this Agreement, may request to be provided orientation and/or training by the Employers for a specific vacant position, provided the Employee could qualify for the position after a reasonable orientation/training period. Such bidding rights are in addition to the Employee's recall rights as set forth below. An Employee transferring to a new classification or department under this section shall retain those recall rights in the former classification which were earned up to the time of transfer and can exercise such rights if a vacancy occurs in such classification in the twenty-four (24) months following the layoff.

#### G. Benefits



## H. Severance Pay



Benefited Part-Time Employees will receive severance pay, per the schedule above, prorated in direct proportion to their current scheduled hours as noted on the time card.

#### L Recall

- 1. For a period of twenty-four (24) months from the date of indefinite or permanent layoff, Employees who, as a result of the reduction, are laid off, are entitled to recall.
- 2. Recall of Employees to regular positions in a particular classification and department from an indefinite or permanent layoff shall be by seniority.
- 3. An Employee shall remain on the recall list unless he or she is offered and declines a position in the same classification in the same department at the same facility on the same shift with the same number of hours as the position from which he/she was laid off or reduced from.

## ARTICLE 16: CALL-OFFS AND DAILY CANCELLATIONS

After exercising every effort to avoid cancellations, it may be necessary to require an Employee to take time off without pay during temporary periods of low census or other occasions when staffing needs to be adjusted on a temporary basis.

#### A. Definition

"Call-off" occurs when an Employee, at the request of the Employer, is directed not to report to work for a regularly scheduled shift. "Flexing" occurs when an Employee who is at work is directed to cease work before the end of the Employee's regularly scheduled shift.

#### B. Rotation

During periods of low patient census, Employees will be flexed or called off in the following order:

- Volunteers
- 2. Registry
- 3. Travelers
- Temporary Employees
- 5. Employees Working an Overtime Shift (double time first)
- 6. Per Diem
- 7. Limited Part-Time Employees
- 8. Regular Part-Time Employees
- 9. Regular Full-Time Employees

Cancellations shall be by rotation (so long as qualifications, competencies, and abilities of the affected Employees are substantially equal), by classification, within each department and shift. The rotation list will begin with the least senior Part-Time Employee and proceed in seniority order through all Part-Time Employees followed by Full-Time Employees in seniority order; in a given classification, within each department and shift. The Employee that is selected for cancellation will be the individual who has the greatest length of time since his/her last call-off or cancellation.

#### C. PTO Election

An Employee who is called-off or is flexed may elect to be paid for such time by applying accrued PTO.

## D. Called-Off Employees Excused for Shift

In the event an Employee is called-off for her/his scheduled shift or a portion thereof due to low census, an Employee will be considered excused for the entire balance of her/his shift and return to work shall be voluntary. If the Employee is requested to and agrees to go "On Call" following call-off or flexing, the Employee shall be paid for such On Call time and Call Back in accordance with Article 18 Section I. 4.

## E. Call-Off Log/ Record

A log/record shall be maintained by the Employer, available to Employees and the Union, that records all HCD's/LCD, call-offs and flexing.

## F. Call-Off Notice

The employer will call-off Employees at least two (2) hours prior to the commencement of their scheduled shift.

## G. Call-Off or Flexing as Time Worked

If an Employee is cancelled, the hours that an Employee was scheduled to work shall be counted as time worked for the following only:

- 1. Vesting and service credit under the retirement plan
- 2. Waiting periods under health insurance and other fringe benefit plans

## ARTICLE 17: FLOATING

## A. Orientation for Floating

When Employees are floated between units or departments, they will not be required to perform duties for which they are not competent, and will be given orientation, as appropriate. Employees may be floated to other units or departments in order to receive training that will enable the Employee to competently perform duties in the unit.

## B. \_ Floating Order

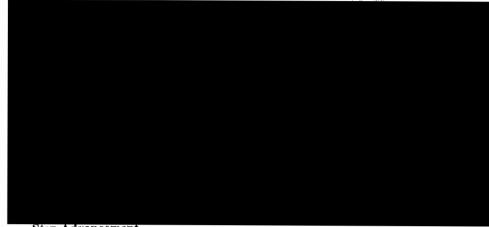
- 1. Employees who float to another unit or department will do so on a rotational basis within the departmental classification being floated, provided said Employee is competent to perform the assignment in the unit to which he/she is floated.
- A unit/department may float on a straight seniority basis within a
  classification, if in a vote conducted by the Union, a majority of
  Employees in that unit or department chooses to implement a seniority
  system.
- 3. Before floating regular Employees, the Employers shall float Employees in the following order:
  - a. Volunteers
  - b. Registry/Travelers (provided competencies exist)
  - c. Temporary Employees
  - d. Per Diem Employees
  - e. Limited Part-Time Employees
  - f. Regular Part-Time Employees
  - g. Regular Full Time Employees

## C. Floating to More than One Unit/Department

No Employee will float to more than one (1) department or unit during a single shift, unless floating to multiple departments/units is a regular part of an Employee's assignment.

## ARTICLE 18: CLASSIFICATION AND WAGES

#### A. Schedule of Wages



#### B. Step Advancement

On an employee's anniversary date, an employee shall be placed on the step corresponding to his or her year of service as provided in the applicable wage grid. Any employee who qualifies for step progression effective January 1, 2017 shall be advanced as provided in this section. The step placement shall be effective with the first full pay period following June 29, 2017. To avoid any ambiguity, no employee will receive retroactive payment for the 2015 and 2016 step progression.

The above paragraph does not apply to St. Vincent employees and O'Connor technical employees who were placed on the applicable wage grid following the The phase in step agreement remains in place. parties' bargaining in 2016. However, prior to or on October 31, 2018, employees shall be placed on the step corresponding to his or her year of service as provided in the actual wage grid. There shall be no retroactive payment made to these employees. employees specifically named in the implementation schedule for the wage scale agreement will be on a the step appropriate to years of service on or by October 31, 2018 and will thereafter have their steps unfrozen. Those employees i) not specifically named in the implementation schedule for the wage scale agreement and ii) who were hired after the wage scale agreement was signed shall be unfrozen as the rest of the bargaining unit in the first full pay period following June 29, 2017. This section is not intended to reduce the rights or wages scheduled under the O'Connor Techs or St. Vincent Medical Center Wage Scale agreements.

#### C. Compensation Rate Review

The Union and the Employers agree that it is in their best interest to recruit and retain qualified experienced staff. To this end, upon request of either party, the Employer and Union will meet to bargain wage scales where they do not exist for classifications in comparable unionized hospitals in a given geography. The Employer and Union shall negotiate at least four (4) sessions per month for a four (4) month period. If no agreement is reached, the parties shall submit final proposals to a neutral FMCS mediator, Stephan Kessler, who will mediate the case within thirty (30) days of reaching impasse. The mediator shall work with the Employer and Union to reach an agreement within thirty (30) days. If no agreement is reached, the Employer and Union will submit their final proposals to a neutral mutually agreed upon arbitrator who will arbitrate the case within thirty (30) days of the end of mediation. The arbitrator will then decide the wage scales in dispute based on comparable unionized hospitals in the same geographic area. The arbitrator shall issue the decision within thirty (30) days of the arbitration. The Employer will implement the arbitrator's decision within thirty (30) days.

## D. Pay Day

- 1. All wages shall be paid on the basis of two-week periods.
- 2. The Employers' payday is on a Friday (Thursday for St. Francis) and this shall continue as the designated payday.
- 3. Direct deposit shall continue to be offered to all Employees and shall be deposited by no later than the designated payday and earlier if practicable.
- 4. Employees shall have the option of picking up their paychecks at the Hospital, at times outlined above, at their request.
- 5. When a holiday recognized by this Agreement falls on a payday, the Employers will provide the Employees' checks on the day before the payday.
- 6. If the Employers use symbols on payroll checks, such symbols shall be explained to an Employee upon request. All records of paid time off accounts shall accurately reflect balances through the most recent pay period ending the date of the check.
- 7. Pay Check Errors

Pay check errors resulting in underpayments of greater than eight (8) hours pay to Employees shall be corrected immediately and a new check for the underpayment shall be issued to the Employee within twenty-four (24) hours of discovery of the error, excluding holidays and weekends.

#### E. Job Description & Job Classification

1. In the event that the Employers establish a new classification within the

bargaining unit, in addition to those now in existence, the Employers and the Union will meet to negotiate with respect to rate of pay and job duties, prior to implementation. The parties will make a good faith effort to reach a settlement. If the parties are not able to reach agreement the Employers may implement and the Union may, within fifteen (15) days, submit the dispute to expedited arbitration for final and binding resolution. Any monetary remedy resulting in a higher rate of pay for an Employee shall be paid retroactively to the start of the job of the start date of each individual Employee in the new position.

- 2. The Employers shall maintain and review job descriptions for all classifications which will be remitted to the Union. It is recognized that changes of job titles and duties contained in this Agreement may be necessary. In the event the Employers intend to change job titles or job duties, they will send the Union a draft of the changes, with the changes indicated, in advance of implementation. Within fifteen (15) days, the Union may request and the Employers will meet to negotiate with respect to the proposed change. The parties will make a good faith effort to reach a settlement. If the parties are unable to reach an agreement the Employers may implement and the Union may within fifteen (15) days submit the dispute to expedited arbitration for final and binding resolution.
- 3. Upon request to the Human Resource Director, or designee, the Employers shall provide the Union or Employee with any existing job description and/or individual position description, for covered Employees, which have not previously been provided to the Union. These shall be mailed and made available to the requesting party within five (5) calendar days of any such request.

#### F. Uniforms

When Employees are required to wear uniforms of special types of work clothing while in the employ of the Employers, the cost of laundering and furnishing same shall be borne by the Employers; provided, however, that the Employers shall not be required to furnish apparel traditionally worn by such Employees in healthcare generally. The term "uniform" includes wearing apparel and accessories of distinctive design or color. Employees shall have meaningful input into all decisions regarding all aspects of uniforms or special types of work clothing.

#### G. Training

- 1. Training is strictly voluntary for non-lead Employees. Orientation is not considered training.
- Training is teaching in order to prepare a novice and/or new Employee with the required skill to meet the requirements of the position; or, to instruct so as to make proficient.

3. An Employee other than those designated as "leads" who is assigned by management to train other Employees shall receive a differential of (\$1.00 per hour) over his or her base wage rate for time doing such training.

#### H. Evaluations

The Employee shall be given a copy of any periodic written formal performance evaluation. Performance evaluations shall not be subject to the grievance procedure unless it contributes to disciplinary action.

## I. Relief in Higher Paid Classification

Any Employee directed to relieve another Employee in a higher paid classification will be paid at the rate of pay of the higher paid classification's pay grade, but at the rate commensurate with the Employee's level of experience for all hours worked in the higher classification.

#### J. Premium Pay

1. Charge Pay

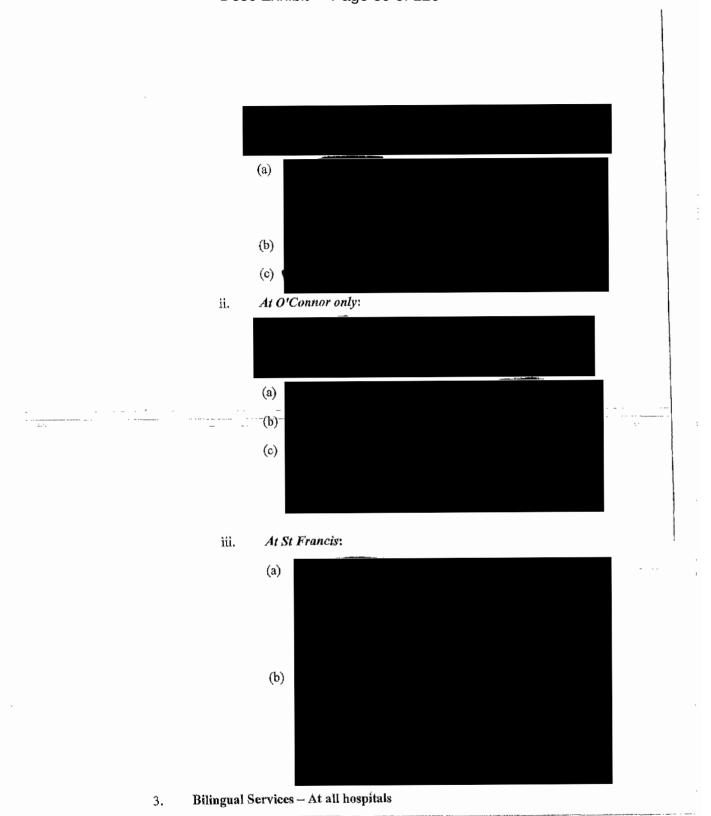


## 2. Shift Differential

a.b.

Differentials for In Lieu of Benefits Employees

## i. At Saint Louise only:



An Employee shall not be required to provide translation and/or interpreting services for the Hospital. An Employee agreeing to provide such services shall do so only on a voluntary basis and shall be held harmless for any legal or other adverse action arising from an alleged misrepresentation or misinterpretation as a result of translating or interpreting activities.



## 4. Standby/On Call/Call Back

- a. An Employee is on On Call status when she/he is scheduled or asked to be available by phone or beeper for the purpose of coming back to the facility if required by staffing levels, and is required to report if called.
- b. An Employee is on Call Back when an Employee, who was on On-Call status, is called back to the facility if required by staffing levels.
- c. An Employee who has completed her/his regular work and has left the facility and is called back to work is on Call Back.



е,

f. No Employee shall be required to report to work during a scheduled time off unless they are on on-call status and being paid the applicable On-Call premium, unless an internal or external disaster is called and the Employer's disaster plan is implemented.



i. The intent of this provision is not to allow Employees to initiate unnecessary multiple guarantees.

## 5. Report-in Pay

- a. An Employee who reports for work on a scheduled shift of eight (8) hours or more without receiving prior notice that no work is available shall be guaranteed pay for four (4) hours of work, and the Employee shall perform any work she or he is competent to perform and may be assigned in accordance with this Agreement.
- b. If an Employee is called to work on a day he/she is not regularly scheduled to work, he/she shall be guaranteed a minimum of two (2) hours work or pay in lieu thereof at the applicable rate of pay required by law, provided that such guarantee shall only apply if the Employee is called to work prior to the start of the Employee's next scheduled shift and shall not exceed the period between the Employee's reporting for work and next scheduled shift.
- c. If an Employee is called back to work on the same day after having already left the hospital at the conclusion of his/her shift, he/she shall be guaranteed a minimum of two (2) hours work or two (2) hours pay in lieu thereof for such second reporting in one day at the applicable rate of pay required by law and this Agreement.
- d. This section shall not apply if work is not available because (i) operations cannot commence or continue due to threats to Employees or property, or when recommended by civil authorities; (ii) public utilities fail to supply electricity, water or gas, or there is a failure in the public utilities or sewer system; or (iii) the interruption of work is caused by an Act of God or other cause not within the Employer's control.

## 6. Split Shifts

No Employees shall be assigned to work a split shift, unless mutually agreed upon by the Union and the Employer.

#### 7. Meals

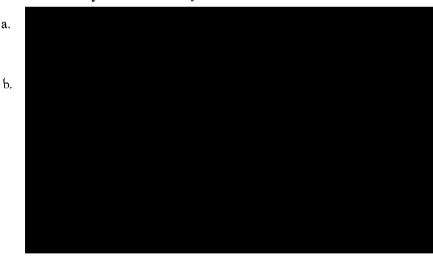
All Employees covered by this Agreement who are assigned to the Hospital's Food Service Department shall be entitled to free meals as follows: When they work fewer than four (4) hours in any one (1) day, one (1) meal; and when they work four (4) or more hours, two (2) meals.

All other Employees shall receive current cafeteria discounts.

#### 8. Transfers to higher or lower job classification

- a. When an Employee transfers to a higher job classification, he or she will be placed on the wage grid at a pay rate commensurate with years of experience and competencies for the new position, provided it does not cause a reduction in pay.
- b. With the exception of layoffs, when an Employee transfers voluntarily to a lower job classification, he or she will be placed on the wage grid at a pay rate based on a credit of one half (½)of their years of employment with the Employer up to but not to exceed the mid-point on the wage grid.
- c. New hires will be placed in the wage grade based on the Employer's evaluation of their experience and qualifications.

## 9. Certification Pay - St. Francis only



- c. Credentials/Certifications include:
  - i. Certification Gerontology
  - ii. CPHQ
  - iii. -- CCM -- Case Management
  - iv. RDCS

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- **RDMS** v.
- National EKG vi.
- National CT vii.
- viii. National MRI
- National Mammography ix.
- National CV (Cardiovascular) х.
- National CI (Cardiac Invasive) xi.
- National VS (Vascular Sonography) xii. National BS (Breast Sonography) xiii.
- RCIS Registry of Cardiovascular Invasive Society xiv.
- National Surgical Tech Certification XV.
- VI Vascular Interventional Radiographer xvi.
- d. For any additional credentials/certification not listed above, Employees are free to submit for payment for the same but the Employer and the Union must agree upon the credential/certification before any payment is made.

## ARTICLE 19: WORK WEEK

A. Hours of Work

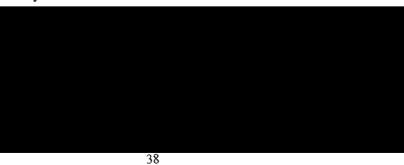
Workweek

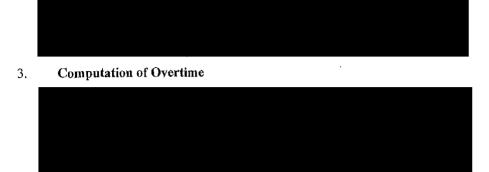


- В. Overtime
  - Workweek 1.



Daily 2.





4. Meal Period and Payment for Meal Time Worked



5. Premium Pay on Seven Consecutive Days



C. Early Call-in

1. Day shift Employees who are called in and agree to begin work prior to

the commencement of their assigned shifts will receive night shift differential for all hours worked on the night shift. When the day shift begins, the day shift rate will apply.

2.

# D. Alternative Workweeks

- 1. The parties agree to maintain all existing alternative workweek schedules currently in effect unless two-thirds (2/3) of the affected Employees petition to terminate or modify such arrangement. The Employer will comply with applicable law regarding alternative workweek schedules. In cases of hardship, Employees may request, and shall be granted whenever possible, to continue their same shift in a unit or work area that converts to alternative scheduling.
- Any new alternative workweek schedules require that the Employers first meet and bargain with the Union to arrive at a mutually satisfactory schedule and other issues related to the implementation of the new\_schedules.

# E. Posting of Schedules

- Monthly schedules of starting and quitting times and days off will be
  posted no less than thirteen (13) days in advance of the schedule, subject
  to emergency situation changes. The Employer may change schedules
  prior to posting to meet patient care and related service demands.
  However, the Union may submit such changes for review under Article 30
  Committees.
- 2. In the event the Employers need to change the schedule after it has been posted, any such change requires mutual consent by an in-person or direct telephone conversation initiated by the Employers, unless emergency conditions dictate otherwise.
  - a. The Employers shall use every reasonable effort to grant Employee schedule requests made at least two (2) weeks in advance of the effective date of the next work schedule. Late changes in the schedule requested by individual Employees may be possible with the approval of the Employee's Supervisor and will not be unreasonably denied if coverage is available.
  - b. The Employers shall permit Employees to trade shifts with other Employees where the Employee substituted has the requisite competencies and where the trade does not result in increased overtime costs for the Employer.

#### F. Rest Periods

At no time can an Employee combine their meal and rest breaks for any reason. Employee who work in excess of five (5) hours bút less than six (6) hours may voluntarily in writing waive the meal period. Employees are responsible for ensuring that they take their rest breaks at the appropriate time. If an Employee cannot take their break due to work reasons, they are to notify their supervisor or designee immediately.

#### G. Rest Between Shifts

Each Regular Full-Time, Regular Part-Time, and Limited Part-Time Employee shall have an unbroken rest period of at least twelve (12) hours between shifts. Also, a Per Diem Employee will not be charged with a refusal for declining a shift that starts within twelve (12) hours of the end of the last shift worked. All hours worked within the above rest period shall be paid at normal rates of pay or at normal overtime rates if eligible under this provision as outlined above. The provisions of this paragraph may be waived on the written request of the individual Employee and with the agreement of the supervisor. Such requests for waivers shall be in writing and the individual Employee shall indicate the time period during which such waiver shall be in effect. Such requests for waivers shall be in writing and the individual Employee shall indicate the time period during which such waiver shall be in effect. This section of the Agreement will be discussed during the monthly joint labor management meetings if it is deemed necessary.

### H. Weekend Work

A weekend is defined as two (2) days, which are Saturday and Sunday for the day and evening shifts, and Friday and Saturday for the night shift. The Employer will grant each Regular Full-Time and Regular Part-Time Employee every other weekend off. This provision does not apply to employees who hold positions which normally include every weekend scheduling or to employees who elect to work weekend shifts. This section of the Agreement will be discussed during the monthly joint labor management meetings if it is deemed necessary.

# I. Shift Rotation

Current rotating shifts may be continued, except that any complaint with respect to such rotation may be submitted to the Joint Labor Management Committee.

# J. 12 Hour Shifts

- The Hospital shall provide the following when implementing twelve-(12)
  hour shifts:
- 2. Shifts shall be twelve-(12) hours worked in twelve and one half (12½) hours.

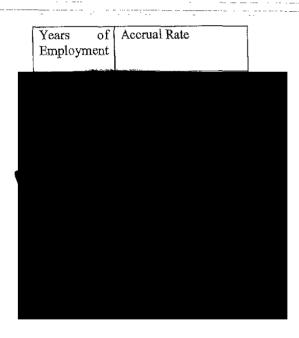
- 3. Rest Periods: Three (3) fifteen (15) minute paid rest breaks during a twelve-(12) hour shift.
- 4. Meal Periods: There shall be one (1) uninterrupted unpaid meal period of thirty (30) minutes and one (1) additional paid meal period of thirty (30) minutes; however the second paid meal period may be waived.
- 5. Compensation: Employees shall be paid their straight time hourly rate for all hours worked within the twelve (12) hour shift.
- 6. Shifts: Day Shift: 0700 -1930; Night Shift: 1900 0730
- 7. Rest Between Shifts: Each Regular Full-Time, Regular Part-Time, and Limited Part-Time Employee shall have an unbroken rest period of at least eleven and one half (11½) hours between shifts. Also, a Per Diem Employee will not be charged with a refusal for declining a shift that starts within eleven and one half (11½) hours of the end of the last shift worked. All hours worked within the above rest period shall be paid at the rate of time and one-half (1½). Overtime for which premium pay is given shall count as rest periods for purposes of this paragraph. The provisions of this paragraph may be waived on the written request of the individual Employee and with the agreement of the Supervisor.

### ARTICLE 20: PAID TIME OFF

A.
B.
C.



E. Effective the pay period following after June 29, 2017, PTO accrual for employees shall be as follows and shall replace the Rate Per Hour and Rate Per Days.



No accrual rates for current employees will be reduced as a result of this agreement.

The new accrual rate shall not be retroactive. The Maximum Annual Accrual Cap is eliminated.

F. G. H. Ĭ. J. K. Upon severance of employment or in the event of the Employee's death, the Employee or the Employee's beneficiary, as named by the Employee or determined by state law, shall be paid all accrued and unused PTO at the Employee's regular hourly rate. PTO shall not be used as a substitute for State Disability Insurance or Workers' L. Compensation benefits to which the Employee would otherwise be entitled. The Employer will integrate State Disability Insurance and Workers' Compensation with PTO to maximize the benefits that the Employee will receive. If the Employee is eligible for Workers Compensation Insurance payments, he/she may elect not to supplement the State Disability Insurance or Workers Compensation Temporary disability by utilizing PTO. If the Employee elects not to receive such integration of such disability benefit, he/she must inform the Employer in writing

M.

disability.

PTO, and must be approved in writing by the Supervisor before any PTO is taken.

within the first seven (7) days of the absence. Employees electing this option will be placed on an unpaid medical leave status commencing with the date of

Requests for PTO in excess of five (5) calendar days must be submitted at least three (3) weeks prior to the first requested PTO day off and must be approved in writing by the immediate Supervisor before the PTO is taken. At the discretion of the immediate supervisor, less than the required advance notice may be acceptable in order to schedule PTO.

- N. PTO time shall be scheduled in increments of not less than four (4) hours, except as necessary under FMLA, CFRA, CESLA, or the California Family School Partnership Act, or any other applicable state or federal law.
- O. The Employer shall have the right to cancel any approved PTO time upon at least forty-eight (48) hours advance notice if deemed reasonably necessary for staffing based solely on verifiable emergent patient care requirements. Employees not in a vacation status will be first utilized to maintain staffing regardless of seniority.
- P. Individual requests for PTO shall not be unreasonably denied for any reason, including the time of the year, and every effort will be made to provide PTO as requested. The Employer shall have the right to approve or disapprove PTO requests. No Employee will be required to return to work from a scheduled vacation or other scheduled PTO unless emergency conditions so require.
- Q. The number of Employees scheduled to be off work on PTO at any one time shall be determined by the Employer depending on staffing based on patient care requirements. Where two or more Employees concurrently request the same PTO dates or times, PTO shall be granted on the basis of seniority.
- R. Scheduling PTO as Vacation: Employee seniority shall be utilized for two (2) choices of vacation time off but only one (1) choice may include a Major Holiday (as defined below). If the Employer approves a vacation that encompasses time off during a holiday this approval supersedes the holiday rotation requirements.
- S. If an Employee voluntarily cancels a vacation request, the Employee must do so at least fourteen (14) days of the vacation. Under such circumstances, the vacation shift(s) will be granted to the next Employee who would have been eligible to have the vacation days off based on the formal PTO request process,
- T. Employees shall be solicited prior to February 15, of the year in order to determine preferences for vacation/PTO. Prior to April 15, the Employer shall advise all employees as to when their vacation/PTO is scheduled and shall post the full twelve (12) month vacation/PTO schedule in an accessible location.
- U. Vacations/ PTO will, insofar as possible, be granted at times requested by employees (longer service employees being given preference as to choice based on department seniority). If employees have equal department seniority or classification, a higher continuous service date will prevail. For those employees choosing to split their vacation/ PTO into three (3) or more increments, seniority will apply only on the first (1st) and second (2nd) choice of vacation/ PTO increments in each anniversary year. All vacation/ PTO request forms shall allow

the employee to indicate which requested vacation/PTO period is his or her first (1<sup>st)</sup> choice, which is his or her second (2nd) choice, and which is third (3rd) choice.

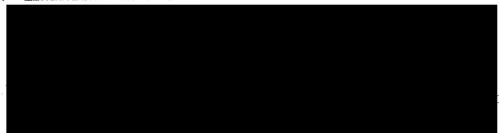
- V. Vacation/PTO requests may be submitted at any time of year. After the February 1 scheduling, requests will be considered on a first come, first serve basis. The Employer shall notify the employee of approval or denial of the request within two (2) weeks of the request being submitted.
- W. Unscheduled PTO: Unscheduled PTO for illnesses or other unanticipated personal emergencies will require two (2) hours advance notification to the Employee's immediate Supervisor prior to the start of the shift for Employees on the day shift, and three hours advance notification for other shifts.
- X. Notification is not required if the employee's own disability, or an emergency, makes it impossible to provide such notification. In such cases, the Employee will provide notice to the immediate Supervisor of the reason for such absence as soon as is reasonably possible.
- Y: --- Failure to give-notification may-result in formal discipline.
- Z. Donation of PTO. On approval of Human Resources, Employees may donate unused PTO hours to another Employee who has experienced an unforeseeable emergency as defined by the IRS. Employees must maintain a minimum PTO balance of forty (40) hours after the donation.
- AA. Hardship Distribution. Subject to the approval of the Employer, Employees may receive a distribution from their PTO account to provide for an unforeseeable emergency as defined by the IRS. Distribution must comply with the guidelines issued by the IRS in Code 457 2(h)(4) and (5).

### BB. PTO Cash-out

- 1. Employees may cash out PTO two times during the calendar year, consistent with Internal Revenue Service requirements and under the following guidelines:
  - a. The Employee's PTO account may not be reduced below eighty (80) hours after the cash-out.
  - b. The Employer will cash out during the first pay period of July and December any PTO elected by the Employee for cash out that has not been used.
- 2. Employees may elect PTO cash-out per calendar year as follows:
  - a. Employees between their first (1st) and fourth (4th) year(s) of employment forty (40) hours.

- b. Employees between their fifth (5th) and ninth (9th) year(s) of employment eighty (80) hours.
- c. Employees with ten (10) or more years of employment one hundred twenty (120) hours.
- 3. PTO shall normally be paid on the regular pay check of the pay period in which the time off is taken. However, an Employee who is using at least five (5) PTO days may request an advance check for those days. The request must be received by the Payroll Department at least ten (10) days prior to the beginning of the PTO. The advance check is available in the Payroll Department on the day prior to the beginning of the time off.

### CC. Extended Sick Leave Accruals



# DD. ESL may be used under the following circumstances:

- 1. Unable to work due to injury or illness for seven (7) consecutive calendar days; or
- 2. One the first day of hospitalization; or
- 3. When placed in the status of "Observation Patient overnight stay-23 hour hold"; or
- 4. Outpatient Surgery (including oral surgery) on the first day with physician verification or recovery period; or
- 5. First day the employee receives Temporary Disability for a Worker's Compensation illness/injury; or
- 6. Relapse of a qualifying illness/injury.
- 7. Employees on an approved Family Leave are required to use PTO and BSL.

#### ARTICLE 21: LEAVES OF ABSENCE

An Employee who is on an approved Physical Disability Leave of Absence will have his/her group health plan coverage continued during the leave, while the Employee is on paid status (PTO/ESL), at the level and under the conditions coverage would have been provided if the Employee had not taken such leave. Beginning on the first (1st) day of the first full month during which an Employee is no longer on paid status (PTO/ESL), the Employee may elect to continue such group health plan coverage under COBRA by paying the cost of such coverage as provided under COBRA, subject to the terms, conditions and limitations of the federal COBRA statute.

### A. Medical Leave

- 1. Employees who have completed ninety (90) days of employment shall be eligible for leave of absence for medical reasons. Such leave(s) shall not exceed one (1) year in a rolling twelve-(12) month period, unless extended only by mutual agreement between the Employee and the Employers.
- 2. In order to be eligible for medical leave, the Employee must provide the Employers' Human Resources department with medical certification, in advance where practicable and foreseeable, such certification to include the probable duration and confirmation that the Employee is unable to perform his/her job duties due to the medical condition.
- 3. Benefits under this Agreement shall be maintained during paid portions of leave and/or during any portion of the leave that qualifies as FMLA or CFRA leave, as provided below. Beginning on the first (1st) day of the month following the exhaustion of paid time and/or the maximum FMLA/CFRA leave, the Employee may elect to continue benefit coverage under COBRA by paying the cost of such coverage as provided under COBRA.

## B. FMLA/CFRA

Employees continuously employed by the Employers for twelve (12) consecutive months and who have worked at least 1250 hours within the twelve (12) months preceding the commencement of the leave shall be eligible for Family Medical Leave in accordance with the provisions of the federal Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). Such leaves shall be made available for:

- 1. The birth of the Employee's child, or receipt of a child in foster care or adoption.
- 2. The care of an Employee's immediate family member. For the purposes of this provision, members of the immediate family are defined as the Employee's spouse, parents, child, registered domestic partner or the child of a registered domestic partner.

- 3. A serious medical condition of the Employee.
- 4. Care for an injured service member. An eligible Employee who is the spouse, son, daughter, parent, next of kin or registered domestic partner of a covered U.S. Armed Forces service member who incurs an illness or injury in the line of duty. Such eligible Employees shall be entitled to a total of twenty-six (26) workweeks of leave during a twelve (12) month period to care for the service member. The leave described in this paragraph shall only be available during a single twelve (12) month period.
- 5. Upon return to work following a qualifying FMLA/CFRA leave, the Employee shall be reinstated to the same position, classification, unit, and shift held by the Employee at the time of the commencement of the leave.

## C. Pregnancy Disability Leave

Employees disabled due to pregnancy or pregnancy-related conditions shall be eligible for a maximum of four (4) months unpaid leave of absence, in addition to CFRA leave, in accordance with the provisions of California Law.

# D. Work-related Disability Leave

- 1. The Employers shall grant a leave of absence to an Employee who is unable to work due to a work-related injury. During the leave, all health and welfare benefits shall continue for up to one (1) year or to the date that the Employee is deemed to be Permanent and Stationary, whichever occurs earlier.
- 2. The Employers shall make every reasonable effort to assist the Employee and return him/her to work after a work-related injury, including an offer of modified (light) duty for at least ninety (90) days, return to the Employee's former position upon release for work, or retraining to an available position with the Employers, if the Employee is no longer able to perform the work of his/her former position.
- 3. An Employee returning from work-related disability leave shall be entitled to reinstatement to the same position, classification, unit, and shift as held by the Employee at the commencement of the leave.
- 4. An Employee who, because of a work-related injury, is medically-determined to be permanently disabled and unable to return to his/her former position shall be entitled to any vacant position for which he/she is then qualified. If all other options have been exhausted and an Employee is medically-determined to be permanently disabled and is unable to return to his/her former position even with reasonable accommodations under the Americans With Disabilities Act (ADA) or to any vacant position for which he/she may be qualified, such Employee may be replaced.

# E. Voluntary Leaves for Disaster Services

## 1. Policy Statement

When a significant disaster occurs, the Employers are committed to providing voluntary assistance to governmental agencies and non-profit agencies that may request our services. Response to all such requests must be approved in advance by the Employers' Chief Executive Officer or designee. Voluntary leave for disaster service by Employees will only be approved if such leave does not unduly impact the Employers' operations, including health care delivery to patients. Denial of such leave shall not be subject to the grievance and arbitration provisions of the Agreement.

# 2. Definition of "Disaster" and "Designated Agency"

A "disaster" is defined as an event officially declared as such by federal, state or local government or an agency designated by the IRS as a Section 501(c)(3) not for-profit, charitable organization (e.g. American Red Cross) or a designated agency.

# 3. Employers-Initiated Requests for Voluntary Disaster Service

In cases where the Employers request voluntary disaster service of their Employees in response to requests in times of crisis from federal, state or local governmental entities or designated agencies as defined above, the following will apply:

# a. Eligibility

Any Employee will be considered eligible unless such Employee has a documented record of current unsatisfactory job performance.

#### b. Procedures

Written agreement for leave for voluntary disaster service for up to thirty (30) calendar days in a calendar year may be obtained from the Employee's manager provided that the number of Employees absent for voluntary disaster service does not unduly impact the Employers' operations. Extension of voluntary service greater than thirty (30) calendar days in a calendar year must be approved by the appropriate vice president or his or her designee. In the case where the number of represented Employees responding to an Employers-initiated call for volunteers exceeds demand, selection shall be made in accordance with contract seniority, provided all other provisions of this policy are met.

c. Compensation and Benefits

Employees continue to accrue seniority and service credit and be eligible for benefits, subject to existing group insurance provisions, during the time of the approved leave, at the expense of the Employers.

In order to receive compensation under this policy, the Employee shall submit documentation of the hours of volunteer service for each day of volunteer duty.

### d. Travel Expenses

Employees who volunteer for duty in response to an Employersinitiated request shall be covered by the provisions of the Employers' National Travel Policy.

# 4. Employee-Initiated Requests for Volunteer Disaster Service.

When Employees, on their own, wish to volunteer to assist during a disaster, the following will apply:

### a. Eligibility

Any Employee will be considered eligible unless such Employee has a documented record of current unsatisfactory job performance.

# b. Procedures

Written application for leave for voluntary disaster service for up to thirty (30) calendar days in a calendar year may be approved by the Employee's manager. Requests for voluntary service greater than thirty (30) calendar days in a calendar year must be approved by the appropriate vice president or his or her designee.

The Employers will grant time off for short-term leaves of up to thirty (30) calendar days in a calendar year to eligible Employees for official volunteer duty as long as the Employers receive reasonable notice, provided that the number of Employees absent for voluntary disaster service does not unduly impact the

Employers' operations. In the case where represented Employee's request for voluntary leave for disaster service exceed demand, selection shall be made in accordance with contract seniority, provided all other provisions of this policy are met.

# c. Compensation and Benefits

An Employee who requests and receives approval for leaves for voluntary disaster service on his or her own initiative, apart from any request to the Employers from a governmental entity or designated agency, will be on unpaid leave during the period of volunteer service, unless the Employee elects to use accrued paid time off other than sick leave.

While on Employee-initiated unpaid voluntary disaster service, Employees continue to accrue seniority and service credit and be eligible for benefits, subject to existing group insurance provisions, during the time of the approved leave, at the expense of the Employers, provided such leave is for a period of thirty (30) calendar days or less. After voluntary disaster leaves of thirty (30) calendar days or less, the Employee will be reinstated into their regular position.

#### F. Union Leave

One (1) Employee at a time who becomes a paid staff member of the Union shall be granted an unpaid leave of absence of up to one (1) year for Union business, patient care permitting. Upon completion of the leave of absence, the Employee(s) will be returned to his/her former job, if available, or to a comparable position in the same classification, shift, and work hours.

Upon written notice from the Union to the Employers' Director of Human Resources, such notice to be given, if at all, not less than two (2) weeks prior to the posting of the monthly work schedule which includes the desired time off, one (1) Employee at any given time will be granted an unpaid leave of up to two (2) weeks from work for the purposes of engaging in Union business, including but not limited to Union Conventions, meetings, conferences, and other activities, patient care permitting. The Employee shall not suffer any loss of seniority or other benefits as a result of such leave.

# G. Military Leave

Military leave of absence shall be granted to eligible Employees who are absent from employment in order to perform duty, on either a voluntary or involuntary basis, in the uniformed services of the United States. Eligibility for military leave, and all other rights and obligations in connection with such leave, shall be in accordance with, and fully governed by, the Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA).

An Employee who is the spouse or registered domestic partner of a service member of the U.S. Armed Forces deployed in a combat zone during a period of military conflict may take up to ten (10) days of unpaid leave. To be eligible for such a leave, an Employee must be regularly scheduled to work twenty (20) or more hours a week, and must submit documentation to the Employer of his/her intention to take such a leave within two (2) business days of receiving notice that the service member will be on leave from deployment.

# H. Other Leaves of Absence

Leaves of absence for reasons other than those specified herein above shall be granted only by agreement between the Employee and the Employers and if a real and compelling reason for time off exists. A leave of absence shall not be unreasonably denied, although it is understood that recurring requests may be denied since such requests cause a burden on the process of scheduling, staffing and quality patient care.

## I. Optional Unpaid Leave

Employees have the option of using forty (40) hours per year of unpaid leave in addition to PTO. This is in addition to the option to use unpaid leave for——Holidays. The Employee must use the same notice requirements for unpaid leave as used for PTO, except when being used when the Employer flexes the Employee, in which case the Employee may choose to take unpaid leave without notice.

# J. Return to Duty

Unless otherwise specified above, when an Employee returns from leave of absence not exceeding thirty (30) days in compliance with the approved terms of the leave, such an Employee shall be assigned to the same classification, position, unit and shift he/she held before the leave. Unless otherwise specified above, if the leave is in excess of thirty (30) days and the Employee returns in compliance with the approved terms of the leave, the Employers will use their best efforts, and will not unreasonably deny return of the Employee to the same classification, position, unit, and shift as occupied at the start of the leave. If conditions have changed so that this is not possible, the Employee shall be reinstated in a position, unit and shift as nearly comparable as is possible under the circumstances.

# K. Notice to Replacements

A person hired or assigned as a replacement for an Employee on a leave of absence shall be so advised by the Employers.

# L. Non-forfeiture of Accrued Rights

By reason of such leave of absence, the Employee shall not lose any accrued rights under this Agreement but likewise he/she shall not accrue rights under this Agreement, unless otherwise provided for above.

### M. Failure to Return from Leave

Any Employee who does not return to work on the due date may be disciplined, and an Employee who does not return to work within three (3) days of the due date will be terminated as of that date, unless an extension of the leave of absence has been requested in writing by the Employee and granted in writing by the Employer, prior to the return due date. If the Employer denies an extension, the Employee must return to work as of the original date authorized, unless the Employer acted unreasonably in denying such request. In the event of emergent circumstances, where the Employee could not return to work (i.e. auto accident, emergency hospitalization) and the Employee requested an extension in timely fashion, an extension of the leave may be granted and not unreasonably denied.

### N. Concurrent Leaves

Except as otherwise required by law, if a condition or reason for leave entitles an Employee to more than one type of leave under this Article, such leaves shall run concurrently.

# ARTICLE 22: JURY AND WITNESS PAY

An Employee who presents proper documentation from a court informing of the Employee's being called for jury duty will be placed on a leave of absence throughout the entire period during which the Employee is required to serve. The Employer will pay Employee for a maximum of five (5) days per rolling twelve (12) month period when called to jury duty on a day in which the Employee is regularly scheduled to work. The Employee must provide proof of jury duty from the jury commissioner before receiving such payment.

# ARTICLE 23: BEREAVEMENT

# A. Definition of Family

Except as set forth herein, "immediate family" for purposes of this section means spouse, children, sister, brother, parents, legal guardians, current parents-in-law, grandparents, grandchildren, registered domestic partner (their parents and children), step relative (parent, child, sibling), and foster children.

# B. Paid Time Off

When a member of the Employee's immediate family dies, the employer will grant the Employee bereavement leave with full pay up to forty (40), hours for Full-Time and Part-Time Employees, provided the Employee takes such leave within a reasonable time thereafter, not to exceed thirty (30) days (unless circumstances warrant longer on which case an extension will be granted by mutual consent). No Employee shall be charged with any absence which may result in discipline under the employer attendance policy for attending the funeral of a member of the Employee's immediate family. In addition, if more time is needed the Employee may request PTO or unpaid time to plan, travel, make arrangements or other funeral related activities. Such request will not be unreasonably denied.

# C. Additional Leave Without Pay

In case of death of an immediate family member as defined above, the Employee shall be entitled to an additional leave of absence of two (2) days without pay at the Employee's request. The Employee and the Employer may agree to extend the period of bereavement leave. For any such agreed extension the Employee may use PTO or take an unpaid leave at the employer's discretion. The Employer will not unreasonably deny such requests.

### ARTICLE 24: HOLIDAYS

A. The Employer will recognize the following holidays:

- 1. New Year's Day
- 2. Martin Luther King Jr. Day
- 3. President's Day
- 4. Memorial Day
- 5. Independence Day
- 6. Labor Day
- 7. Thanksgiving Day
- 8. Christmas Day

Holidays listed will be observed on the dates provided by federal legislation.

In addition, Employees may request and will be granted one (1) holiday of their choice per year, other than the holidays listed above, as PTO, provided the Employer is able to schedule such absence without adversely affecting patient care.

Pay for Holidays Worked: If an Employee in any status works a recognized holiday, the Employee shall receive pay at one and one-half (1½) times the Employee's straight time rate of pay for all hours worked on such holiday provided the Employee has worked the scheduled shifts of work immediately before and after the holiday. Only one shift at such premium rate will be paid for each observed holiday, except that customary overtime

provisions may apply to hours worked in excess of scheduled shifts or over forty (40) hours in a week. In the event an Employee is precluded from working his/her regularly scheduled shift, including on a holiday, due to a closure of his/her department, they will not be required to take PTO. If additional days off are provided as a result of closure of their department, PTO usage shall be at the discretion of the Employee.

- Employees assigned to the night shift will be required to work the majority of the shift on a holiday in order to receive the holiday worked premium.
- 5. Employees working a twelve (12) hour shift will receive holiday pay for the shift they work with the majority of the hours falling during the observed holiday.

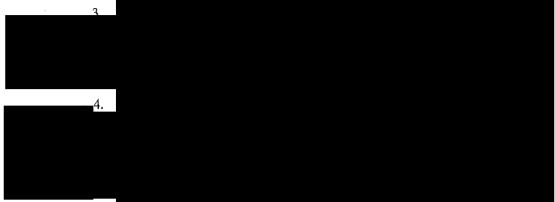
The Employer may schedule Employees to work on holidays according to required patient care needs. All Employees will normally be guaranteed at least two (2) minor holidays off duty on an equitable basis from amongst the holidays of Martin Luther King Jr. Birthday, Memorial Day, Independence Day and Labor Day unless the Employee wishes to work a greater number of holidays. Each Employee will normally receive at least two (2) Major Holidays off between and including Thanksgiving and New Year's Day, and Christmas.

If an Employee voluntarily cancels a holiday request, the Employee must do so at least fourteen (14) days prior to the holiday. Under such circumstances the holiday slot will be granted to the next Employee on the holiday list.

# ARTICLE 25: HEALTH INSURANCE

A. General Provisions

2. LDA Coverage (other than Registered Domestic Partner who will remain eligible for the medical, dental and vision plans), for currently identified Legally Domiciled Adults ("Grandfathered LDAs"), shall continue to be eligible for dependent medical, dental and vision coverage provided they are qualified tax dependents and reside at the same resident address on the Employee's Federal Income Tax, and can provide periodic proof of their tax dependent qualification. LDAs who reach age 65 will be terminated from coverage as of the last day of the month in which he/she turns age 65. The LDA coverage option has ceased (except for Registered Domestic Partners).



## D. Medical Benefits

The Employers have provided and will continue to provide a fully Employer paid health plan for all current Regular benefit eligible employees and their qualified dependents. This health plan or plans will be provided as stated herein.

Effective upon ratification the Employers will continue to offer the same fully Employer paid Blue Shield HMO plan in effect on June 1, 2017 on the same terms and conditions as this plan is currently provided, and with benefit levels that meet or exceed that of the current plan. The Employers will continue to offer this plan through December 31, 2017.

Effective upon ratification the Employers will also continue to offer the same alternative POS "Buy-Up Plan" in effect on June 1, 2017 on the same terms and conditions (including premium payment options) as this plan is currently provided, and with benefit levels that meet or exceed that of the current plan. The Employers will continue to offer this plan through December 31, 2017.



Outpatient surgery performed at a free-standing ambulatory surgery center;

Outpatient surgery performed in a hospital or affiliated ambulatory surgery center;

Outpatient services for treatment of illness or injury and necessary supplies;

Radiological and nuclear imaging (CT scans, MRI's, PET scans);

Inpatient physician services; and

Inpatient non-emergency facility services.

However, should Verity or a Verity Preferred Partner provide additional services not included in the list above, those services will be added to the list and will be subject to the 20% co-insurance applicable to Verity EPO Tier 2. Should Verity or a Verity Preferred Partner provide additional services not included in the list above, these additional services to the Verity EPO Tier 1 and corresponding Verity Tier Medical Benefits will be communicated/implemented on an annual basis.

The Claims Administrator will apply the Tier 1 charges when the employee: (i) receives services by a Verity Health Provider; (ii) receives services by a BlueShield PPO Network provider because the service was not available at the employee's designated Verity Health Facility; or (iii) employee or the employee's dependent does not live within the thirty-five (35) mile radius of a Verity Health Facility.

Verity will honor employees' and qualified dependents' coordination of benefits.

The Verity EPO Tier 1 and Tier 2 plans, which will replace the BlueShield HMO, must have qualities that meet or exceed the qualities of the BlueShield HMO that it is replacing. Such qualities must include, but are not limited to, choice of doctors on the BlueShield PPO

Network and services, and as otherwise stated herein. The radius for the Verity EPO Verity Tier 1 services will be thirty-five (35) miles measured from employees' residential zip code to the Verity facility zip code, and with a "Special Transportation Exception." Every year, the Employers will provide a list of zip codes which reflect which employees (and their covered dependents) fall within the thirty-five (35) mile radius.

If there is no Verity facility within the thirty-five (35) mile radius or the Special Transportation Exception applies, the employee may go to any facility within the BlueShield PPO Network. The Special Transportation Exception means that no employee and/or any qualified dependent seeking services or treatment will be required to travel to another geographic location that under normal, non-circuitous driving circumstances, would require travel across a bridge (for example, without limitation, from Oakland to San Francisco, or from San Rafael to Richmond). Every year, a list of zip codes which reflect the areas that qualify for the Special Transportation Exception shall be released at open enrollment.

If there is no Verity facility within thirty-five (35) miles of where the employee or the employee's qualified dependent resides, or the needed service or treatment is not available at a Verity facility, including those with the Special Transportation Exception, the employee or the employee's qualified dependent may go to any facility within the BlueShield PPO network, at the same cost structure as the Verity EPO Tier 1.



As of January 1, 2017, the "Wellness Assessment" required of certain employees and their qualified dependents will no longer be required.

It is the intent of the Employers to provide a health plan that will ensure the privacy of employees under the plans. If any employee has a privacy concern related to a service and/or procedure that would be performed by the employee's own department at a Verity facility or a concern about continuity or disruption of care or if the employee's physician does not have admitting privileges at Verity facility, the Employers' Benefits Services Manager will not unreasonably deny any request to receive such services and/or procedures at an alternative facility in the Verity/Blue Shield PPO network. Such request must be made directly to the Benefits Services Manager at least five (5) business days prior to the procedure.

#### E. Dental Plans

The Employers will provide a Delta Dental Basic Plan, or its equivalent, fully paid by the Employer for the employee and his/her dependents (including spouse, registered domestic partner and children). The Employers will maintain the PPO Dental plan, if any, on the same terms as currently provided to employees.

# F. Vision Plan

The Employers will provide the Vision Service Plan (VSP), or its equivalent, fully paid by the Employers for the employee and his/her dependents (including spouse, registered domestic partner and children).

The Employers will offer a voluntary VSP Premier Buy-up option. Any employee electing this Buy-up option will pay the difference between the Buy-up and the standard VSP option.

### G. Voluntary Short Term Disability Plan

The Employers will offer a voluntary Short Term Disability Plan option on an employee paid basis.

# H. Voluntary Long Term Care Plan

The Employers will offer a voluntary Long Term Care Plan option on an employee paid

### ARTICLE 26: GROUP INSURANCE

A.



- 1. Base pay is defined as the Employee's hourly base rate times his or her regularly scheduled hours per pay period times the number of pay periods per year.
- 2. The coverage will be effective on the first day of the month following completion of thirty (30) calendar days of continuous employment as a Regular Full-Time or Regular Part-Time Employee. However, when a Temporary Employee is reclassified to Regular Full-Time or Regular Part-Time status, coverage will be effective the first day of the month following such reclassification.
- The Employers will pay the full cost of premiums for group life insurance for each eligible Employee who qualifies for non-smoker rates.
   Employees who do not qualify for non-smoker rates will be required to pay the additional cost, if any, of premiums above the non-smoker rates.
- 4. Employees may also continue to purchase additional life insurance as well as dependent life for spouse and child(ren) at group rates.

В.



All physical examinations required of Employees in connection with their employment, according to the practice of the Employers, shall be given without charge, and all costs incident to those examinations shall be borne by the Employers. Notwithstanding the foregoing, nothing in this Article shall be construed to obligate the Employers to pay for any treatment which may be required as a result of any disease or condition disclosed during such physical examinations. Such examinations shall be without loss of pay, and shall include all laboratory, diagnostic and other clinical tests required by Title XXII or the Department of Health Services and/or the county in which the hospital operates and examinations and review of the Employee's medical history by a physician or nurse practitioner. Any disclosures to the Employers by the physician or nurse practitioner concerning the results of such physical examination shall be limited to certification that the Employee is physically able to perform the essential functions of his or her job.

#### ARTICLE 28: RETIREMENT

- A. Until the effective date of the transactions contemplated by the System Restructuring and Support Agreement by and among Daughters of Charity Health System ("DCHS") and other parties thereto, dated as of July 17, 2015 (the "Effective Date"), the existing retirement plans shall continue as provided for by the predecessor collective bargaining agreement (the "CBA").
- B. As of and following the Effective Date, during the term of this CBA, Verity Health System, Inc. (formerly known as DCHS) will operate the Verity Health System Retirement Plan (formerly known as the Daughters of Charity Health System Retirement Plan) (the "Plan") as a retirement plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") as well as the Internal Revenue Code ("Code"). As of and following the Effective Date, during the term of this CBA, Verity Health System will take all necessary steps to comply with all laws and regulations applicable to the Plan, including but not limited to (1) administering and funding such Plan in accordance with ERISA, (2) making application to the Pension Benefit Guaranty Corporation ("PBGC") under the PBGC insurance program, and (3) making all contributions necessary to satisfy the funding and PBGC premium requirements of ERISA and the Code.
- C. Thereafter, during the term of this CBA, Verity Health System will continue to maintain and operate the Plan and/or any successor plan in compliance with applicable laws and regulations. In the event that Verity Health System decides, in the best interests of the System, to merge the Plan into the existing multiemployer pension plan, the Retirement Plan for Hospital Employees ("RPHE"), the Union will support the merger of the Plan into the RPHE, provided that such merger is effectuated in accordance with all applicable laws and regulations.
- D. As of and following the Effective Date, Verity Health System will, during the term of this CBA, continue to be a participating employer in the Retirement Plan for Hospital Employees ("RPHE") on the same terms and conditions applicable to DCHS prior to the Effective Date.
- E. Also as of and following the Effective Date, during the term of this CBA, Verity Health System will operate the Verity Health System Supplemental Retirement Plan (401(a)) (formerly known as the Daughters of Charity Health System Supplemental Retirement Plan (401(a))), the Verity Health System Retirement Plan Account (formerly known as the Daughters of Charity Health System Retirement Plan Account) and any other applicable defined contribution plan (the "Defined Contribution Plans") and the Employer-Sponsored 403(b) Plan in accordance with Title I of ERISA and any applicable provisions of the Code, and shall continue to operate the Defined Contribution Plans and the Employer-Sponsored 403(b) Plan in compliance with all other applicable laws and regulations. Thereafter, during the term of this CBA, Verity Health System will continue to maintain the Defined Contribution Plans and the Employer-Sponsored

403(b) Plan as provided for by the predecessor CBA (to the extent such provisions in the predecessor CBA do not conflict with the provisions herein), including but not limited to making at least the same levels of employer contributions provided for by that CBA.

- F. Pension [THE EXISTING PLAN WILL BE CONTINUED FOR ALL EMPLOYEES ON THE SAME TERMS].
  - 1. At St. Vincent Only: St. Vincent Employees will continue in their current Retirement Plan which became effective March 1, 2011.
  - 2. At Saint Louise, O'Connor and St. Francis:

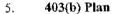


3. At All Facilities:

Employees hired after the RPA Effective Date under this Agreement, shall receive the following contributions pursuant to the following schedule:

# 4. For the Daughters of Charity Retirement Plan Only:

- a. The Employer will adopt a revised funding policy for the DCHS Retirement plan, based on a ten (10) year amortization schedule. The initial unfunded liability determined as of the January 1, 2012, actuarial valuation will be amortized over a ten (10) year fixed period. Annual changes in unfunded liability due to such factors as market changes, demographic experience or changes in assumptions will be amortized over a seven (7) year period following the valuation year in which they are recognized.
- b. The Employer agrees to maintain this funding policy through the life of the Agreement once adopted. The Employer shall meet the obligations of the funding policy by contributing funds required by said policy in the year in which they come due. In the case an event or actuarial change occurs, such as a failure to meet investment assumptions in effect at the time of execution of this agreement, the Employer shall notify the Union and meet and confer over a contribution schedule that meets the contribution obligations as promptly as reasonably possible.
- c. On an annual basis, the Employer shall, within ninety (90) days of receiving a written request, provide the Union with the annual DCHS Retirement Plan valuation.
- d. Beginning on January 1, 2013, and annually thereafter, the Employer shall provide each bargaining unit participant an Annual Funding Notice for the DCHS Retirement Plan.
- e. If the Daughters of Charity Health System adopts a Defined Contribution retirement plan that is different from that which is adopted pursuant to this Article, such new Defined Contribution retirement plan will also be offered to bargaining unit members.





# ARTICLE 29: CAREER OPPORTUNITIES AND TUITION ASSISTANCE

- A. The Employers agree to support opportunities for Employees to attend educational activities in the health care field which are consistent with the goals, objectives and action plans of the Employers.
- B. The Employers will provide the following educational opportunities:
  - 1. Tuition Assistance: The Employers will support continuing education and training of Employees who participate in educational courses in the health care field including certifications, licensures and other training programs. Employees must apply for and receive written approval from the Employee's department manager prior to commencement of the course, in order to be eligible for reimbursement, as provided below:
    - a. Eligibility: All Regular Full-Time and Regular Part-Time
      Employees who have completed the probationary period and who
      maintain their status while taking such courses are eligible for
      Tuition Assistance.

b.

c. Reimbursement will be provided upon successful completion of the course, provided that the Employee submits proof of satisfactory completion to the Employee's department manager along with the request for reimbursement.

### ARTICLE 30: COMMITTEES

### Team Care, Collaborative Problem Solving and Leadership

A goal of this Agreement is to foster shared success through developing and empowering models of team-based care. Each hospital will develop organization plans to support team based care.

### Joint Labor-Management Committees

### A. Composition and Purpose

1. The Parties will work together to develop joint committee(s) between management and Caregivers to address, discuss, and improve upon the operational functioning of the hospitals. The concept of joint committee(s) shall include opportunities for Caregivers to participate in leadership roles in workplace matters and improve the quality of care.

- 2. There shall be a Joint Labor Management Committee of no more than six (6) representatives appointed by the Employer and six (6) representatives appointed by the Union. In addition, one (1) Union field representative and one (1) representative of the Employer's Human Resources Department shall also be part of the JLMC and may attend all meetings of the JLMC. The parties shall advise each other in writing of appointments to the Committee. On written notice to the other, the Employees and Employer Administration may change their representatives on the Committee from time to time. The Joint Labor-Management Committee will be formed for the purpose of reviewing, discussing and resolving issues of mutual concern to the parties in order to improve performance, to achieve the objectives of the organization, and to improve the work lives of Employees.
- 3. The Joint Labor-Management Committee may develop procedures to address the following:
  - a. Identifying current and anticipated vacancies. In this review, the parties will consider whether and how to combine available hours to maximize Full-Time employment.
  - b. Projecting changes in the delivery of healthcare at each Hospital;
  - c. Identifying retraining opportunities for Employees at the Hospital;
  - d. Identifying creative retention programs such as one that contemplates the identification of transferable skills of Employees to work in classifications other than their own to avoid daily cancellations;
  - e. Identifying cross-training opportunities to minimize involuntary daily cancellations;
  - f. Identify systems to support effective reassignment processes such as float pools, cross-training programs, Employee lists by competencies;
  - g. Identifying new and creative recruitment sources;
  - h. Other opportunities to enhance recruitment, retention and retraining;
  - i. Impact on the workforce as a result of business changes that would result in closures, consolidations or shared entities;

- j. Monitoring the quality of patient services and making recommendations to improve patient services in the context of work design, if applicable, or in the current method or system of patient services delivery.
- 4. In addition, the Joint Labor Management Committee may also consider the following subjects, which include but are not limited to: appropriate education and training programs, child care issues, cultural diversity in the workplace, methods for improving scheduling and resolution of scheduling problems, and other issues the Committee deems appropriate.
- 5. This committee may recommend wellness programs at each facility that will (a) expand the participation of Employees and dependents in current health and wellness initiatives, (b) develop new health and wellness initiatives, (c) develop positive means of encouraging greater levels of participation in health, wellness and safety initiatives such as annual vaccinations, and (d) explore potential plan re-design options that could result in more effective and efficient utilization of the health plan by Employees and their dependents.

## B. Compensation

If an Employee committee member is regularly scheduled to work during the time in which the committee meeting is held, the Employee representatives on the Committee shall be compensated at straight-time pay for attendance at Committee meetings up to a maximum of four (4) hours per Employee per month. Attendance at committee meetings will not be considered "time worked" for the purposes of overtime calculation.

### C. Frequency of Meetings

Meetings of the Committee shall be no longer than four (4) hours and shall be held once every month except by mutual agreement.

#### D. Dispute Resolution

The Union and the Employer acknowledge that unless mutually agreed, neither shall use this committee for the purposes of collective bargaining. Disputes within the Joint Labor Management Committee shall not be subject to Article 31, Grievance and Arbitration provisions of this Agreement. However, this Paragraph shall not prevent an Employee, the Union, or the Employer from subsequently pursuing an otherwise grievable issue through Article 31, Grievance and Arbitration.

# E. Health and Safety Issues

### 1. Compliance

The Employer will continue to comply with applicable federal and California laws and regulations pertaining to occupational safety and health, including its obligation, under the general duty clause, to provide a safe environment for Employees.

# 2. Reporting Health Hazards by Employee

It is the duty of each Employee to comply with all health and safety regulations of the Employer, and if any safety or health hazard is detected by an Employee, the Employee shall promptly report it to the Employer. An Employee's failure to comply with such health and safety regulations, or to promptly report a detected health or safety hazard, may result in disciplinary action.

#### 3. Union Notification

The Union shall-promptly-notify the Employer of any potential health and safety hazards, violations or problems of which it is aware.

# 4. Remedying Health/Safety Problems

The Employer shall have a reasonable period of time to remedy any problems or situations brought to its attention by Employees or the Union. If in the judgment of the Employee or the Union, the Employer shall thereafter fail to remedy the situation, the Employee or the Union shall be free to contact Cal-OSIIA, or other state or federal authorities, for appropriate action. No adverse action shall be taken against any Employee for reporting health and safety concerns to the Employer, to the Union, or to federal or state authorities. Disputes under this Article shall not be subject to Article 31, Grievance and Arbitration procedure of this Agreement, and shall continue to be subject to the applicable administrative procedures established by federal and/or California law. However, the issue of whether the Employer has met its obligation to meet with the Union under this section shall be arbitrable.

5. The Union shall address Health and Safety Issues through the Joint Labor-Management Committee.

# 6. In-Service

The Employer shall continue to provide in-service or other training and information to Employees concerning health and safety.

# 7. Hepatitis B Vaccine

Hepatitis B vaccine shall be made available free of charge and at a covered Employee's request, if the Employee's normal functions include exposure to blood, blood products, bodily fluids, or needlesticks or cuts by other sharps that may have patient blood, blood products, or bodily fluids on them. Such vaccine also will be provided to other Employees, at their request if their normal functions do not include such exposure but the Employee has an on-the-job needlestick or cut, as described.

## F. Patient Care Committee

# 1. Quality Patient Care

The Employers and the Union agree that quality patient care and an appropriate working environment require adequate staffing and that staffing levels within all departments vary with census, acuity, shift, the specialization of various areas, changes in the specialization of the units, structural changes in delivery of patient services and qualitative changes in average acuity. Each of the Employers will establish a committee comprised of six (6) bargaining unit Employees selected by the Union and six (6) representatives of the Employer selected by the Employer. In addition to the six (6) from each side, both the Union representatives and the Human Resource representatives may participate in Patient Care Committee meetings. The parties may mutually agree to expand the number of representatives to this committee as the need may arise.

### Purpose

Monitoring the quality of patient services and making recommendations to improve patient services in the context of work design, if applicable, or in the current method or system of patient services delivery.

# 3. Meetings

The Employers-will allow four (4) hours every month of paid time for each Employee member of the committee to attend meetings

# G. Resolution of Staffing Issues

#### 1. Review Committee

If the Joint Labor Management Committee cannot reach agreement on a recommendation, the issue may be referred to a Review Committee of four (4) for consideration and recommendation. Two (2) representatives shall be selected by SEIU and two (2) by the Employer. A majority of the Review Committee may invite resource persons to attend and participate in such Review Committee meetings. Such resource persons may review

all relevant information before the Committee pertaining to the subject matter under consideration and offer advice to resolve differences between the parties. The Review Committee may adopt recommendations by a majority vote of all four (4) members of the Committee.

## 2. Recommendation Implementation Process

Recommendations, both those approved by the Joint Labor Management Committee and through the Review Committee, will be forwarded to the appropriate Administrative Director of the Hospital for implementation. Thirty (30) calendar days after receipt of a recommendation the appropriate Administrative Director will send the Joint Labor Management Committee a written summary of progress and may at the Joint Labor Management Committee co-chair's request attend the next Joint Labor Management Committee meeting to report on progress.

# 3. Resolution of Staffing Issues

In the event the Review committee is unable to reach agreement on a recommendation concerning a staffing issue, a mutually agreed upon third-party neutral may be brought to join the Review Committee. In the event the Review Committee remains unable to resolve the staffing issue, the third-party neutral shall decide the final resolution which will be implemented. In reaching resolution, the third-party neutral must take into account area standards regarding staffing, state and federal laws, physician recommendations regarding quality of care, business needs and any other relevant information presented by the parties. In making a final decision on the issue presented by the Review Committee, based upon the information presented by the parties, the neutral third-party will be acting as a labor Arbitrator, and the decision will be treated as a final and binding by the parties. Either the Union or the Hospital may seek to vacate the decision pursuant to applicable state and federal law.

Unless the parties agree otherwise, the third party neutral shall be selected by alternative striking (first strike determined by lot) from one (1) of the following seven (7) persons:

> Matthew Goldberg Robert Hirsch Barry Winograd Andrea Knapp Richard Kagen John Kagel Frank Silver

# 4. Impact on Other Units

Both parties agree that it is not their intent to make recommendations or resolutions that adversely impact any other bargaining unit.

Additionally, if the Employer grants any other Union similar rights to resolve staffing disputes, it will make every effort to include in such contract a provision that it is not the intent of the parties to make recommendations or resolutions that adversely impact any other bargaining unit including the Union.

### ARTICLE 31: GRIEVANCE AND ARBITRATION

- A. **Definitions.** In this Article the following definitions apply:
  - 1. **Definition of Grievance**. Grievance means a dispute raised by an Employee, the Union or the Employers concerning the interpretation or application of any provision in this Agreement. Unless otherwise provided in this Agreement, a violation of this Agreement is subject to this Grievance and Arbitration procedure set forth below.
  - 2. **Definition of Days.** Days means calendar days. In this Article, whenever a period of time is specified, the day of the event or action which commences the period shall not be included calculating the length of the period. If the last day for responding and acting is a Saturday, Sunday or contract holiday, the period shall be extended to the next day which is not a Saturday, Sunday or contract holiday.
  - 3. **Limitation on Precedents.** Settlements reached with Shop Stewards in Step 1 of the grievance procedure shall not establish a precedent or a practice for future cases unless by specific written agreement signed by a Field Representative and by the Employers.
- B. Informal Resolution or the Initiating of a Grievance. The Employers and the Union recognize that the goal of this grievance and arbitration procedure is to attempt to resolve the grievance at the lowest level possible with the least amount of time and resources. The Employee or the Union Representative (Field Representative or Shop Steward) may first confer with the supervisor or with such other person as the Employers may designate and attempt to settle the matter.
  - 1. The Union must initiate the grievance procedure by completing and delivering a grievance form to the Vice President of Human Resources or designee within fourteen (14) days of the date upon which the Union first became aware, or reasonably should have first become aware, of the events or circumstances which gave rise to the grievance.

- 2. A meeting to resolve the grievance shall take place within fourteen (14) days after the filing of the grievance.
- 3. In this meeting the parties shall engage in a full and frank discussion of their respective positions including the supporting rationale for their positions. A representative from the Vice President of Human Resources or designee will respond in writing within fourteen (14) days of the meeting.
- C. Timeliness/Failure to Meet Grievance Timelines. If the Employers do not timely respond to a Union or an Employee grievance, the grievance shall automatically move to the next step.
- D. Employers Grievances. Employers grievances shall be submitted at the Step 1 level in writing on the appropriate form directly to the Union's Field Representative. If requested, a Union Representative and a representative of the Human Resources Department shall meet in an effort to resolve the grievance within fourteen (14) days of the date of the written grievance. The Union shall provide an answer, in writing, within fourteen (14) days following the meeting, or within fourteen (14) days after the date of the Employers' grievance if no meeting is requested.

If the Union's Step 1 answer is not satisfactory, or if no answer is given within the specified time period, the matter shall be submitted to arbitration by written request of the Employers in accordance with the time limits set forth for a Union request for arbitration and subject to the provisions of Step 1 above and Section (G) (1) below.

- E. Union Participation. A representative of the Union, designated by the Union, has the right to prompt notice from the Employers of any grievances filed by individual Employees. A Union Representative and/or Steward, designated by the Union, has the right to be present at any grievance meeting called for the purpose of discussing an Employee grievance.
- F. Mediation By Mutual Agreement at All Facilities. Prior to arbitrating, the parties may submit any grievance to mediation by mutual agreement. However, such mediation shall not delay the arbitration.

# G. Arbitration

1. Demand for Arbitration. If the grievance is not resolved in Step 1, either party may proceed by submitting a written request for arbitration to the other party (a) within fourteen (14) days after the due date of the Step 1 response or (b) within fourteen (14) days following the receipt of the Step 1 response. A Union request for arbitration will be sent to the Vice President of Human Resources or designee.

2. Selection of Arbitrator. The Parties will select an Arbitrator within seven (7) days of notice of intent to arbitrate. The parties will select an Arbitrator by alternately striking a name from the following list of Arbitrators:

Matthew Goldberg Robert Hirsch Barry Winograd Andrea Knapp Richard Kagen John Kagel Frank Silver

The order of striking will be determined by the winner of a coin toss.

- 3. Arbitration Hearing and Decision. The Arbitrator shall hear the submitted grievances as expeditiously as possible, and shall render a decision in writing within fourteen (14) days after the conclusion of the last hearing or submission of briefs, whichever is later.
- 4. Arbitration Fees and Costs. The fees and expenses of the Arbitrator, the cost of the hearing room, and the cost of the court reporter, if required by the Arbitrator, shall be shared jointly by the parties, except in the case of a postponement that results in the cancellation of an arbitration date. Each party will bear its own expenses of representation and presentation of its case, including witnesses, and including the cost of any transcript for the party's own use.
- 5. Arbitration postponements and cancellations. Either party has the right to one (1) postponement of a case. If the postponement results in a cancellation fee to the Arbitrator, the proposing party shall pay the Arbitrator's cancellation fee, unless a date is substituted at no additional cost.
- 6. Arbitrator's Authority. The Arbitrator shall have no power to add to, to subtract from or to change any of the terms or provisions of the Agreement. His or her jurisdiction shall extend solely to claims of violation of specific written provisions of the Agreement and involve only the interpretation and application of such Agreement. The award shall be based upon the joint submission agreement of the parties, or in the absence thereof, the questions raised by the parties in respect to the specific interpretation and application of the Agreement. Further, the Arbitrator's decision will be final and binding upon all parties concerned.
- 7. Processing Grievances in Good Faith. Consistent with the Preamble of this Agreement, the parties agree that it is in everyone's best interests to address grievances in a timely, professional and ethical manner. With

respect to a particular complaint or grievance of an Employee concerning the interpretation or application of this Agreement the Field Representative of the Union or Shop Steward may inspect relevant material in the Employee's personnel file upon which the Employers are or will be relying. Such information will be provided in a timely manner. The Union may request other information it deems relevant to the processing of a grievance, and if the Employers are in agreement that the information is relevant, the Union will be provided with it. In the event of a disagreement on the appropriateness or relevance of any information requested, such disputes are not subject to the grievance procedure. This does not preclude either party from exercising its rights under any applicable Federal or California State laws.

8. Employee Participation. The Employers and the Union agree that Employees having direct knowledge of facts giving rise to a grievance should be free to participate on behalf of any party in all steps of the Grievance and Arbitration Procedure, and should be free from recriminations from either side for so doing.

### ARTICLE 32: DISCIPLINE AND DISCHARGE...

### A. Just Cause

The Employers may only discipline or terminate any Employee for just cause.

# B. Progressive Discipline

Unless circumstances warrant severe actions, the Employers will utilize a system of progressive discipline. Progressive steps shall include verbal counseling, and/or warnings, written counseling and/or warnings, disciplinary suspensions without pay, and termination of employment. Except where prohibited by law, if after a one (1) year period of time following the issuance of discipline, there has been no discipline of a similar nature the disciplinary notice will be removed from the Employee's record upon request from the Employee. Time spent on a leave of absence does not count toward the time frame to remove discipline from an Employee's file.

#### C. Investigatory Suspension

No Employee shall be held in unpaid investigatory suspension or unpaid administrative leave status for more than seven (7) calendar days.

# D. Written Disciplinary Action

A written warning is a document designated as such by the Employers. An Employee who receives a written warning shall be given a copy of the warning and shall sign a receipt to acknowledge having received the document. Acknowledging receipt of the warning shall not constitute an admission of the

Employee's agreement with the substance of the warning. A Union grievance contesting a written warning shall be subject to the requirements of Article 31, Grievance and Arbitration.

# E. Disciplinary Notices, Rebuttal, and Inspection of Personnel Files

- 1. There shall be one official personnel file for all bargaining unit Employees and they shall have the right to inspect and to be provided, on request, with one copy of any document in the Employee's personnel file.
- 2. Employees will receive copies of all disciplinary notice(s) placed in their personnel files and shall have the right to rebut in writing any disciplinary notice. Such rebuttals, other than grievances, shall be attached to the disciplinary notice and placed in the personnel file.
- 3. In any case where the Employers and the Union agree to revise personnel record materials, the Employers shall, upon request, provide evidence of the revision.

# Weingarten Rights-

The following holding of the United States Supreme Court in NLRB v. Weingarten, Inc., shall apply to investigatory interviews conducted by the Employers when an Employee, upon his or her request, is entitled to have a Union Representative (Field Representative or Union Steward) present during an investigatory interview in which the Employee is required to participate where the Employee reasonably believes that such investigation will result in disciplinary action. The Employers will notify the Employee of their right to Union representation prior to any investigatory interview where the Employers reasonably believe that such investigation may result in disciplinary action. The right to the presence of a Union Representative (Field Representative or Union Steward) is conditioned upon a requirement that the Union Representative (Field Representative or Union Steward) be available for participation in such investigatory interview within twenty-four (24) hours, excluding Saturday, Sunday, and holidays, of the Employee's request for his/her presence.

# ARTICLE 33: FIELD REPRESENTATIVES' VISITS AND SHOP STEWARDS

## A. Field Representatives' Visits

Duly authorized Union Field Representative shall be allowed access to visit the facility at all times to ensure compliance with this Agreement and to conduct Union business. This right shall be exercised reasonably so as not to interfere with the Employers' operations or the work of any Employee. The Union Field Representative shall advise the Vice President of Human Resources or his/her designee immediately, in person or by telephone, upon entering the campus of the departments and areas the representative will visit.

#### B. Union Shop Stewards/Representational Leaders

Union Stewards/Representational Leaders lead the representation work of the Union at the facility level. Both parties recognize the critical role of trained Union Stewards/Representational Leaders as the primary representatives of Employees in grievance, discipline and other matters.

- 1. The Union shall provide the Employers with a written list of Union Stewards after their designation, and shall notify the Employers of changes as they occur. The Union may designate one steward per facility as the Rep. Chair.
- 2. The functions of the Union Steward include the authority (1) to settle or assist in settling problems arising in connection with the application or interpretation of the Agreement, (2) to resolve grievances at Step 1 of the grievance procedure, and (3) to serve as a Union representative for Weingarten meetings.
- Union Stewards will be released without loss of pay to attend grievance—and Weingarten-meetings scheduled during working hours. Investigation—of grievances by such stewards shall normally be conducted during non-working hours. Otherwise, Union Stewards shall perform their functions or Union related activities on their own time. However, if a meeting is mutually agreed to with the Union Steward during the steward's work shift, that time will be paid for by the Employers. Upon notification to the manager, if the Union Steward wishes to schedule a meeting with an Employee during the steward's work shift, release time shall not be unreasonably denied.
- 4. Union Stewards shall not direct any Employee how to perform or not perform his/her work, shall not countermand the order of any Supervisor, and shall not interfere with the normal operations of the Employers or any other Employee.
- 5. The Employers' designated representative will meet with two Union Representatives (Field Representative and/or Union Stewards) and any affected Employee on any grievance or issue concerning this Agreement. If additional Employee(s) or Union Representatives have firsthand facts to present as a witness concerning the Union's grievance issue, however, then such additional person(s) also may attend, by prior mutual agreement with the Employers at the time the meeting is set.
- 6. Upon advance written request and subject to staffing and scheduling needs, the Employers will provide up to four (4) days without pay per calendar year to a Union Steward for the purpose of participating in Union educational programs.

- 7. Upon proper advance notice, the Employers shall continue to exercise good faith efforts to release duly recognized Shop Stewards to leave their normal work to attend the monthly Shop Steward meeting. No more than four (4) hours of such release time per month will be allowed. Stewards not scheduled to work will not receive any pay for attendance at such meeting. The paid time spent at monthly steward meetings will not count towards overtime calculations. Within thirty (30) days of the ratification of the contract, the Union will provide to the Employers a schedule of the Union Steward's Council's regularly scheduled meetings, for the next twelve (12) months (and will further submit a schedule on an annual basis for succeeding years of this Agreement). A maximum of one (1) steward for every twenty-five (25) bargaining unit Employees shall receive the release time, not to exceed eight (8) stewards at Saint Louise, and ten (10) at O'Connor.
- 8. Shop Stewards will be permitted to leave their normal work to attend the monthly Shop Steward meeting. No more than eighty (80) hours quarterly in the aggregate, of such paid time will be allowed. Stewards not scheduled to work will not receive any pay for attendance at such meetings. Time spent at monthly-Shop Steward meetings will not be used to compute overtime. In departments with multiple Stewards and patient care needs, the Stewards will determine a rotation for attendance if warranted.
- 9. Time spent attending arbitration hearings by Shop Stewards, grievants and witnesses called by the Union shall be unpaid.

#### C. Union Healthcare Leaders: Shop Stewards

- 1. The Union will notify the hospital of bargaining unit Employees designated by the Union as Union healthcare leaders, i.e. Shop Stewards.
- 2. Within the workplace, the tole of Union healthcare leaders/Shop Stewards shall be to (a) promote participation by Employees in health and wellness initiatives, and (b) promote Employee participation in practices designed to improve Employee health and quality healthcare measures, including but not limited to infection control practices within the hospital.
- 3. Effective January 1, 2016, the employer agrees to grant up to six (6) hours of paid release time per quarter, for a maximum of three (3) healthcare leaders/Shop Stewards, to be scheduled by mutual agreement between the Union and the employer for the purpose of providing training to the Union healthcare leaders/Shop Stewards on relevant issues and practices. Such paid release time will not be counted as hours worked for purposes of calculating overtime.

4. Upon advance request by the Union healthcare leaders/Shop Stewards, and subject to the approval of the hospital through its appropriate supervisors, these Employees will be allowed time to address relevant and appropriate topics in such forums as (a) regular or special departmental meetings, (b) one-on-one meetings with individual Employees in their department or area, or (c) other meetings as may be mutually agreed. It is understood that any such activities which occur during working time will be scheduled in such a way that patient care and operations will not be adversely affected, and with the approval of the Employee's supervisor. It is further agreed that any such participation shall be limited to the topics of promoting health objectives as outlined in subsection C.2 above, and shall not be used for other purposes unrelated to these goals.

#### D. Employee Representatives to Union Negotiation Committee

Upon proper advance notice, the Employers shall continue to exercise good faith efforts to release Employees appointed to the Union's Negotiating Committee, subject to staffing, scheduling and immediate patient care needs. A maximum of five (5) such Employees per facility who miss time worked from their regular work-schedule due to attending negotiating sessions including caucuses shall be paid by the Employers for all hours missed from work up to the Employee's regular scheduled work hours. Additionally, they shall suffer no loss of seniority, benefits or paid time off accruals, including extended sick leave. Such release time shall not be counted towards the computation of overtime or any premium pay.

#### ARTICLE 34: NO STRIKE/NO LOCKOUT

There shall be no strike, work stoppage or other interruption of work during the life of this Agreement by the Union or Employees. During the life of this Agreement there shall be no sympathy strikes by the Union. Furthermore, the Union will not threaten to engage in any activity prohibited by this Article. Similarly, there shall be no lockout by the Employer during the life of the Agreement. Informational picketing is not prohibited if the Union provides a timely 8(g) notice; its activity is limited to such picketing; and if the Union's 8(g) notice and other communications clearly say that its activity will be limited to such picketing.

## ARTICLE 35: CHANGE OF OWNERSHIP, MERGERS, SALES, CLOSURES AND TRANSFERS

In the event of a merger, sale, closure, leasing assignment, divestiture, or other transfer of ownership and/or management of its operation in whole or in part, the Employers shall comply with the following. This article shall not apply to subcontracting or outsourcing of a department or service. In that event, Article 6 shall apply.

#### A. Notification

The Employers shall notify the Union in writing at least ninety (90) days prior to taking any action described in the preceding paragraph, except for hospital closure for which six (6) months advance notice is required.

#### B. Successor

This agreement shall be binding upon the Union and the Employers or any successor thereof whether the succession is by any of the means described above as it applies to the business of the Employers, in whole or in part, or to any change in management companies.

#### C. Conditions and Liabilities

In the event the Employers desire to sell or otherwise transfer the establishment or engage in any future acts set forth above and covered by this Agreement, it shall be a condition of the sale and/or transfer and inserted into any agreement of sale or management contract that this collective bargaining agreement and all its obligations thereof shall be binding upon any purchaser or transferee. Prior to taking any action described in this provision, the Employers shall be liable for all the compensation and payment due and owing to the Employees or the Union.

#### ARTICLE 36: SEVERABILITY AND SAVINGS CLAUSE

In the event that any provision of this Agreement is found to be in conflict with state or federal law, the remaining provisions of this Agreement shall remain in full force and effect.

If a provision in this Agreement is invalidated by state or federal law, the Employers and the Union shall meet for the purpose of considering lawful substitute provisions.

#### ARTICLE 37: ORGANIZING RIGHTS

The Employers and the Union agree to the following Union recognition procedure. This procedure is intended to provide Employees freedom of choice on the question of unionization.

#### Section 1 — Statement of Philosophy

The Employers and the Union support the philosophy that positive relationships arise from shared creativity and responsibility; the recognition and protection of basic human rights of workers; and the representation of workers' interest in those decisions that affect them in a way that assures that their voice will be consistently and effectively heard.

The Employers also support the right of workers to form and join an Employee organization. They support their right to choose not to do so. It is important when Employees are making such a choice that accurate information about the goals and vision of any organization that is seeking to represent them be available to the Employees to assist them in making their decision.

#### Section 2 — Notice of Intent to Organize

When Employees have begun signing Union authorization cards in an appropriate unit, as defined herein, the Union shall promptly notify the Employer of the Employees in that unit of its intent to organize a group of Employees and identify an appropriate unit.

Within seven (7) days of the Union's notification to the Employer of its intent to organize an appropriate unit, the Employer and the Union will distribute a jointly signed reproduction of the Recognition Procedure as described herein.

#### Section 3 — Appropriate Unit Defined

The parties agree that, except as provided herein, an appropriate unit is that which is defined by the National Labor Relations Board for healthcare providers. Appropriate bargaining units shall be as follows:

- 1. All professional Employees, except physicians and registered nurses;
- 2. All technical Employees, except those already included in existing units;
- 3. All home health non-professional Employees;
- 4. All home health professional Employees;
- 5.— All residual service and maintenance Employees; and
- 6. All Business Office clerical Employees.

Bargaining units pursuant to this provision will be on a single facility basis, and shall be as set forth in the National Labor Relations Board Health Care Rules.

#### At Saint Francis only:

Appropriate Unit Defined The parties agree that, except as provided herein, an appropriate unit is that which is defined by the National Labor Relations Board for healthcare providers. Appropriate bargaining units shall be as follows:

- 1. All professional Employees, except physicians and registered nurses;
- 2. All technical Employees, except those already included in existing units;
- 3. All home health non-professional Employees;
- 4. All home health professional Employees;
- 5. All residual service and maintenance Employees;
- 6. All Business Office clerical Employees;
- 7. All skilled maintenance Employees.

Bargaining units pursuant to this provision will be on a single facility basis, and shall be as set forth in the National Labor Relations Board Health Care Rules.

<u>Determination of Majority Status/Election</u>. Upon presentation of the percentage of Union authorization cards required by the NLRB to the NLRB from the Employees in an appropriate bargaining unit, as defined above, Employees in any of the appropriate bargaining units are entitled to petition for an election to be held by the NLRB in an expedient and timely manner.

The Employers and Union agree to the mutual goal of scheduling an election conducted by the NLRB within forty-five (45) days of the filing of the petition.

If, within three (3) weeks after filing the petition, the Board fails or is unable to schedule an election within forty-five (45) days, the parties shall meet and decide upon a third party to conduct and oversee the election process. The parties agree that the selection of the third party shall be from among Charles Askin, Boren Cherkov, Dan Altemus or any other mutually agreed upon third party based on the availability to adhere to the timelines set forth herein. The election shall be held within forty-five (45) days after filing the petition. The election will be conducted in a mutually agreeable location and manner and shall follow generally accepted NLRB guidelines.

Within five (5) days after the election is directed by the Board or alternative third party, the Employer will provide the Union with a list of the names, addresses, and current telephone numbers of Employees in the appropriate unit the Union seeks to organize, subject to applicable laws.

The Employers agree to recognize the Union as the collective bargaining agent on behalf of Employees in any appropriate unit, as defined herein, where a majority of Employees vote for <u>SEIU-UHW representation</u>, subject to applicable law. Such Employees shall be accreted into and covered by this Agreement upon certification of the election results by the NLRB or third party. Where classifications are accreted into this Agreement that are not currently covered, the parties will meet and negotiate over their wages and other terms and conditions that are not already covered by this Agreement.

#### Section 4 — Code of Conduct

- 1. Employees shall be entitled to make a decision regarding Union representation free from coercion, intimidation, promises, or threats.
- The Employers and the Union agree that they will communicate only that which they believe to be factual and will do so in a way that does not personally attack officers, executives, representatives, Employees, or sponsors of either the Employer or the Union.
- 3. The Employers will not inform or imply to eligible voters that they will lose benefits, wages, or be subject to less favorable working conditions by unionizing.
- 4. The Employers agree that their authorized communication with Employees regarding Unionization shall take place in group meetings and that they shall not initiate one-on-one conversations with Employees about Union representation. Employee participation in Employer initiated group meetings for the purpose of discussing unionization shall be voluntary.
- 5. During the period following provisions of notice of "Intent to Organize" as described above, the parties will meet periodically to regulate adherence to

the Code of Conduct.

#### Section 5 — Dispute Resolution

Regardless of who conducts the election, the parties agree that they will use the rules and procedures approved by the National Labor Relations Board to ensure that a fair and representative election occurs in an appropriate bargaining unit as defined above among properly eligible Employees, and that if the NLRB processes are utilized, that they will not abuse such processes for purposes of delay or any other improper purposes.

The parties agree that, upon filing of the petition with the Board, the Union and the Employer will meet promptly and will exert their best efforts to identify and resolve issues concerning Supervisors, managerial Employees, and confidential Employees before a hearing is scheduled before the Board or third party. Should any disagreements arise that cannot be resolved between the parties, any such Employee whose eligibility is in dispute at the time of the election shall be allowed to vote by challenge ballot. The NLRB or third party (whichever conducts the election or is chosen by the parties) shall have the authority to fully resolve any such disputes with respect to the inclusion or exclusion of any classification in the unit and the eligibility of any Employee to vote. When so utilized, both parties agree to accept and be bound by all of the decisions of the third-party-or NLRB.

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### ARTICLE 38: TERM OF AGREEMENT

This Agreement shall be effective as of November 1, 2018, and shall remain in effect until October 31, 2021. November 1 shall be the anniversary date of this Agreement.

United Healthcare Workers-West, SEIU-UHW Date:	Verity Health System  Date: November 13, 2017
By: David Regan, President	By: Steve Sharrer, Chief Human Resources Officer of Verity Health System
By: Stan Lyles, Vice President	On behalf of O'Connor Hospital, St. Louise Regional Hospital, St. Vincent Medical Center, and St. Francis Medical Center
By: Signal By: Greg Pullman, Chief of Staff	
By: Chokri Bensaid, Hospital Division Director	

## Bargaining Team Members

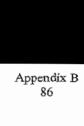
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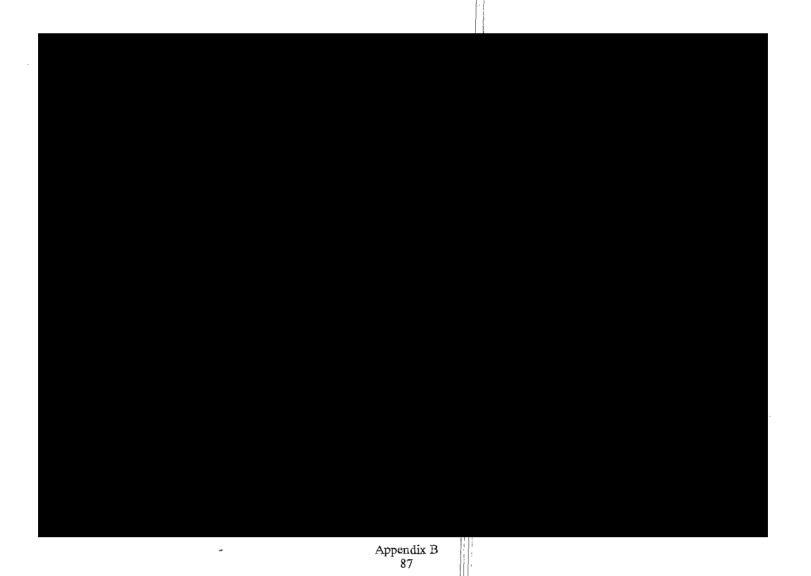
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Lydia Reyes	MReyer
Lydia Reyes	
St. Louise	
Bargaining Committee Member	
Estrella Sonchez  Estrella Sanchez  O'Connor  Bargaining Committee Member	2. B. Sontos
Policarpo Trejo St. Vincent Bargaining Committee Member	Pa

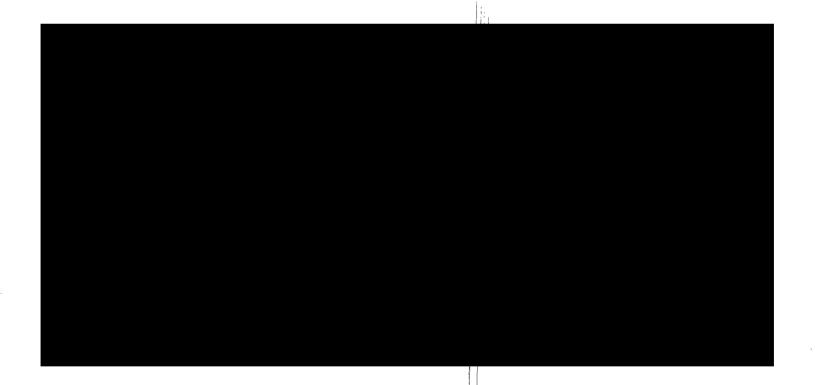
## Appendix A: Cope Check Off Form

SEIU-UHW Committee on Political Education -	COPE
□ \$5 per month □ \$10 per month □ \$ per month  First Name Middle	In order to build political power for healthcare workers and make healthcare a priority for public officials. I hereby authorize SEIU United Healthcare Workers-West to file this payroll deduction with my employer and for my employer to forward the amount specified
Last Name	as a voluntary contribution to SEIU COPE and to transfer such funds to SEIU United Healthcare  Workers-West. This authorization shall remain in full force and effect until revoked in writing by me. This authorization is voluntarily made on my specific
Social Security Number	understanding that:  I am not required to sign this form or make COPE contributions as a condition of my employment or
Employer	membership in the Union;  I may refuse to contribute without any reprisal;
Job Title or Department	<ul> <li>Only Union members and executive/ administrative staff who are U.S. citizens are eligible to contribute to SEIU COPE;</li> <li>The amounts on this form are merely a</li> </ul>
Phone Number	suggestion, and I may contribute more or less by this or some other means without fear or favor or discharge from the Union or my employer.
Cell Phone	SEIU COPE uses the money it receives for political purposes, including but not limited to addressing political issues of public importance and contributing
Email	to and spending money in connection with federal, state and local elections. Contributions to SEIU COPE are not tax deductible for federal income tax purposes.
,	Signature
	Date

Appendix B: Wage Scales - Effective November 1, 2018







SEIU-UHW Wage Scales For O'Connor - Tech Effective the first full pay period following November 1, 2018 - 3.0%



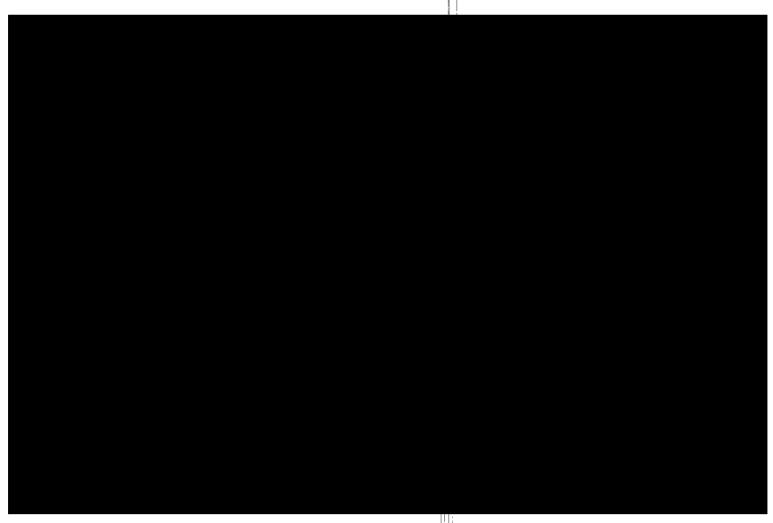
SEIU-UHW Wage Scales For SLRH



Appendix B 90



SEIU-UHW Wage Scales For SFMC
Effective the first full pay period following November 1, 2018 - 3.0%

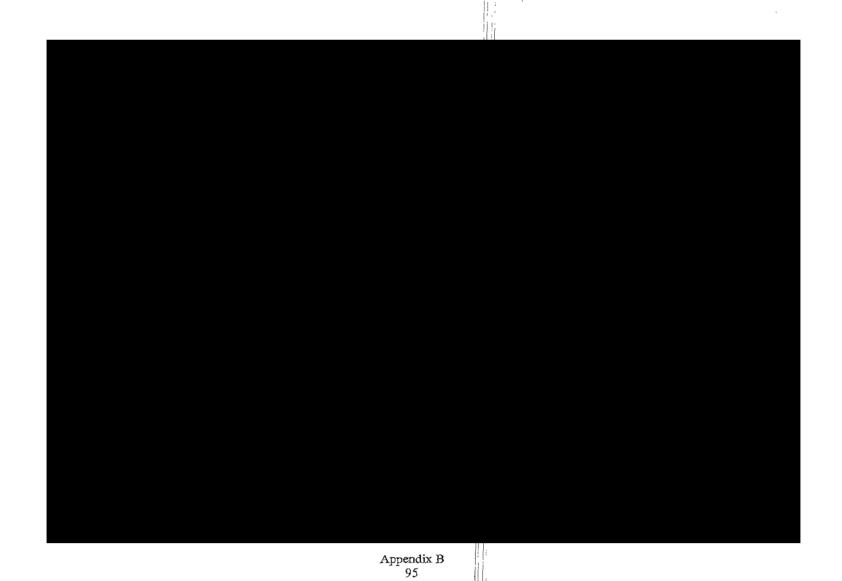


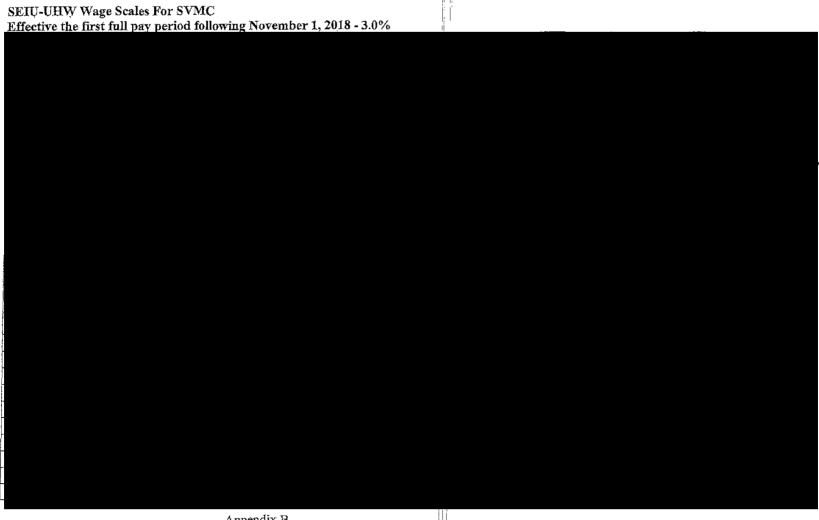
Appendix B 93

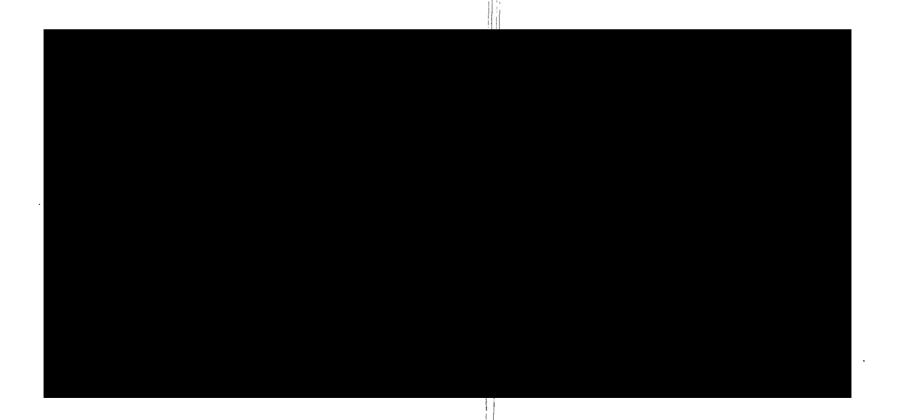


Appendix B 94

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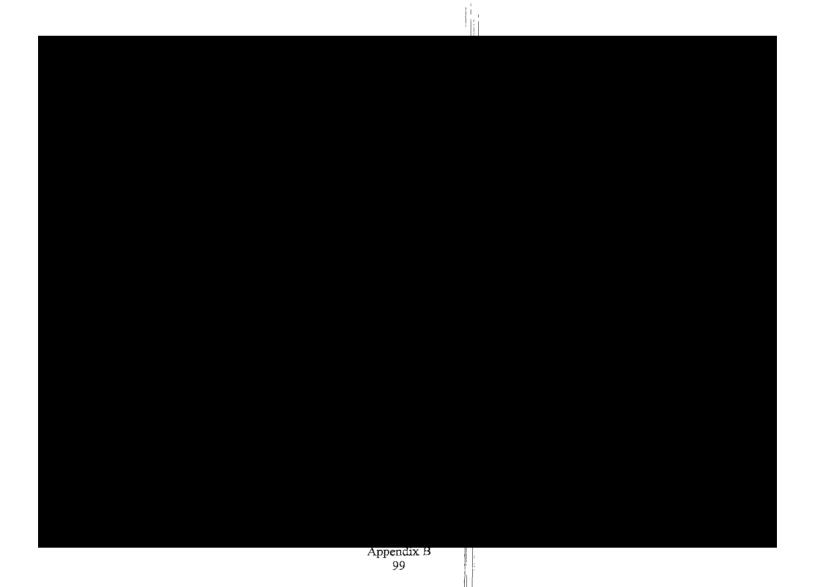


Appendix B: Wage Scales – Effective November 1, 2019

SEIU-UHW Wage Scales For O'Connor Effective the first full pay period following November 1, 2019 - 3.0%



Appendix B 98



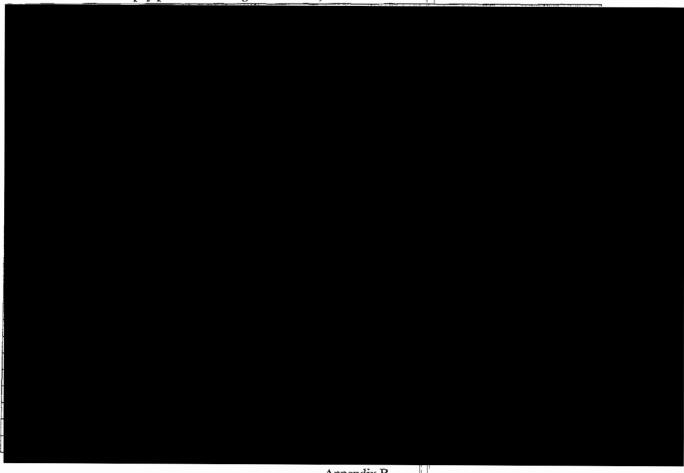


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SEIU-UHW Wage Scales For O'Connor - Tech Effective the first full pay period following November 1, 2019 - 3.0%



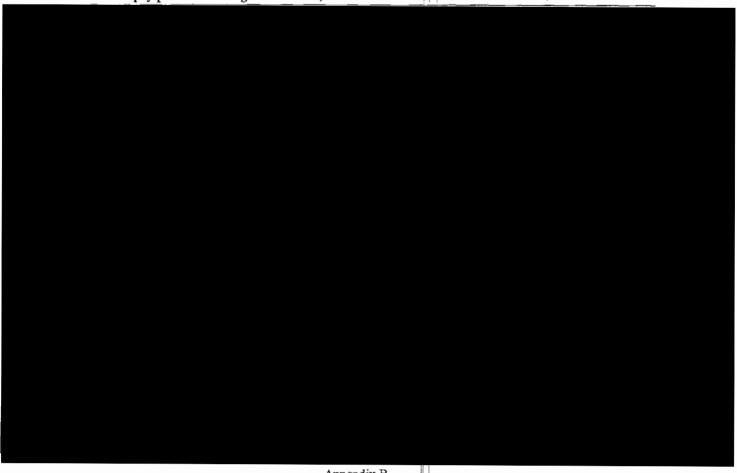
SEIU-UHW Wage Scales For SLRH Effective the first full pay period following November 1, 2019 - 3.0%



Appendix B 102

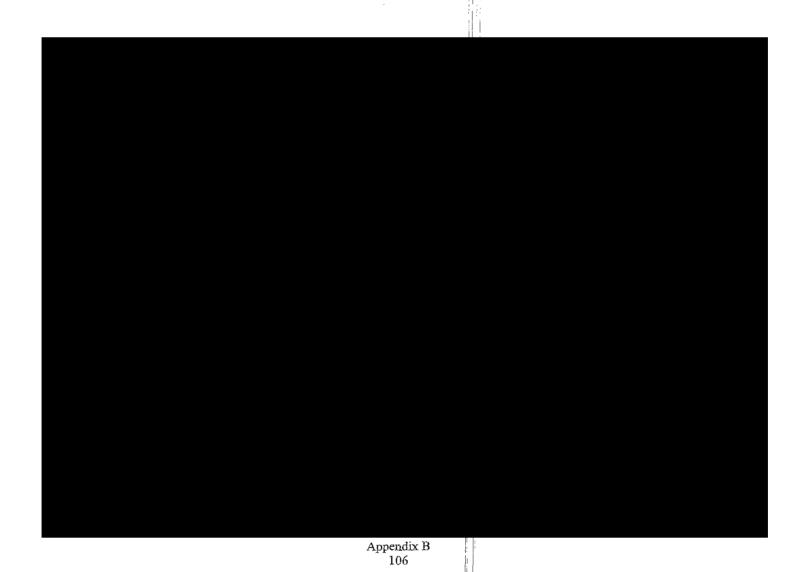


SEIU-UHW Wage Scales For SFMC Effective the first full pay period following November 1, 2019 - 3.0%





Appendix B 105





Appendix B 107

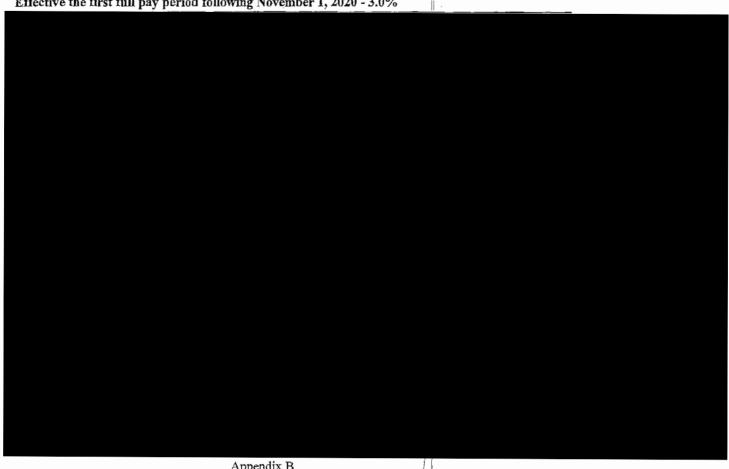
SEIU-UHW Wage Scales For SVMC Effective the first full pay period following November 1, 2019 - 3.0%

Appendix B 108



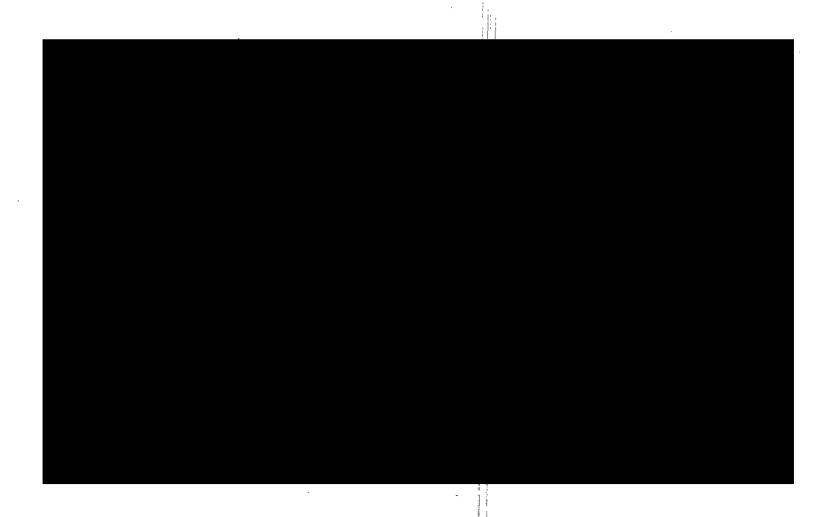
Appendix B: Wage Scales - Effective November 1, 2020

SEIU-UHW Wage Scales For O'Connor Effective the first full pay period following November 1, 2020 - 3.0%





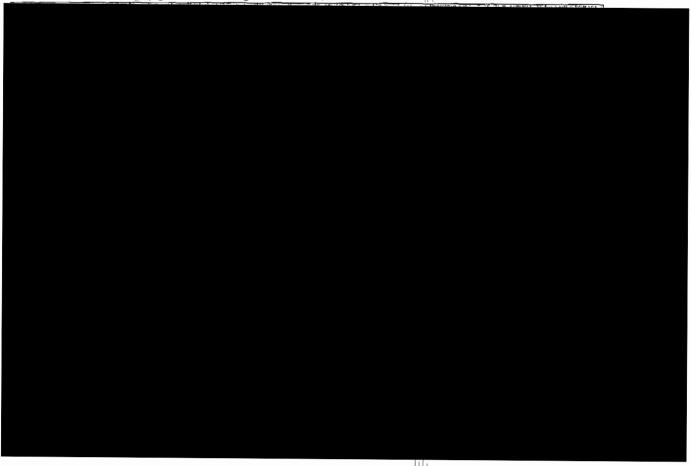
Appendix B 111



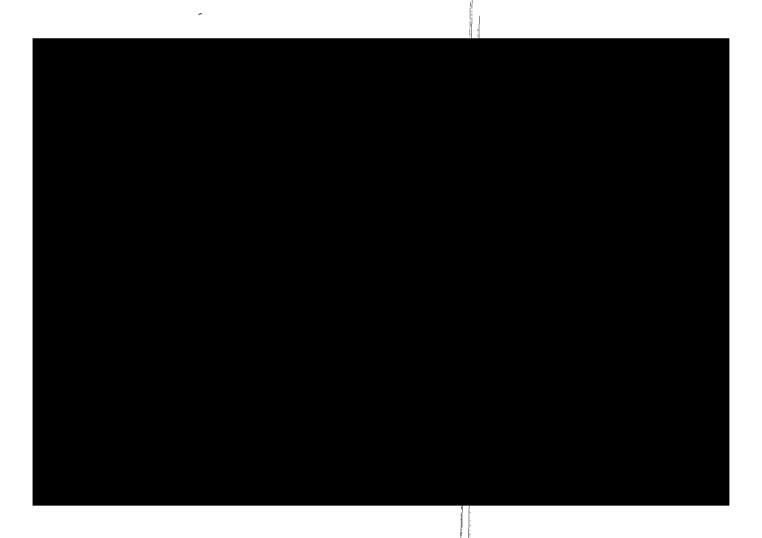
Appendix B 112 SEIU-UHW Wage Scales For O'Connor - Tech Effective the first full pay period following November 1, 2020 - 3.0%



Appendix B 113 SEIU-UHW Wage Scales For SLRH Effective the first full pay period following November 1, 2020 - 3.0%



Appendix B



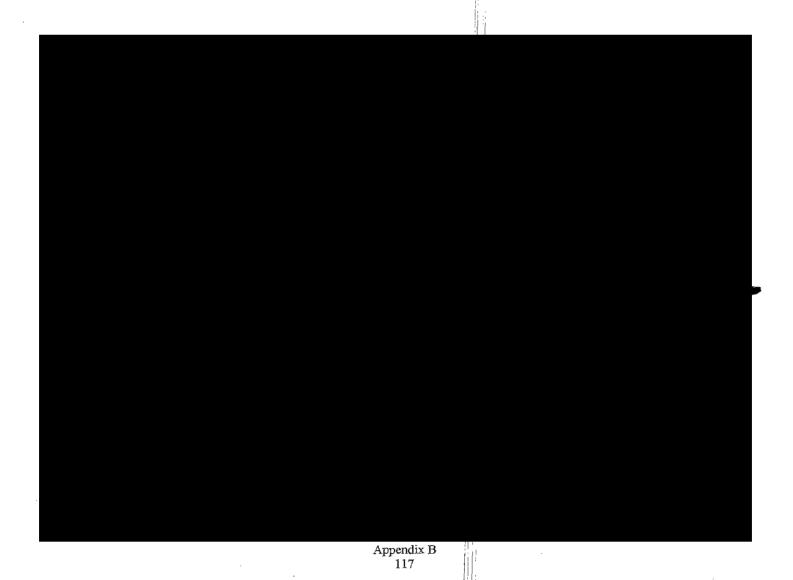
Appendix B 115

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SEIU-UHW Wage Scales For SFMC Effective the first full pay period following November 1, 2020 - 3.0%



Appendix B





Appendix B 118



Appendix B 119

SEIU-UHW Wage Scales For SVMC Effective the first full pay period following November 1, 2020 - 3.0%





Appendix B 121

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Sam J. Alberts Partner

sam.alberts@dentons.com D +1 202 408 7004 M +1 202 321 0777

Dentons US LLP 1900 K Street, NW Washington, DC 20006 United States

dentons.com

December 13, 2018

Via Email (aprediletto@calnurses.org) and U.S. Mail

Andrew Prediletto California Nurses Association 225 West Broadway, Suite 500 Glendale, CA 91204

Re: Proposal Regarding Disposition of CBAs

Dear Mr. Prediletto:

In furtherance of the Proposal made to California Nurses Association ("CNA") orally on December 6, 2018 and memorialized in my letter to you dated December 7, 2018, to reject and terminate the Collective Bargaining Agreement between SLRH and CNA 2016-2020 (the "SLRH CBA"), the Collective Bargaining Agreement between OCH and CNA 2016-2020 (the "OCH CBA"), and all terms incorporated therein under the CNA/VHS Master Agreement (12/22/16-12/21/20) related to SLRH and CNA (the "CBA Master"), attached please fine a redline of the CBA Master showing relevant modifications. We urge you to share this letter and the attachment with your legal counsel. Should you or legal counsel desire further information or wish to communicate about the Proposal, please feel free to contact me directly.

Sincerely,

Sam J. Alberts

Munhallet

Attachment



Andrew Prediletto December 13, 2018 Page 2

dentons.com

cc: Richard G. Adcock

Steven Sharrer

Elspeth Paul

Pascale Roy

Samuel Maizel

Tania Moyron

An Ruda



# United Healthcare Workers – West

Service Employees International Union CTW, CLC

560 Thomas L. Berkley Wy. Oakland, CA 94612

510-251-1250 🗆 800-585-4250

www.seiu-uhw.org Quality Healthcare for All

Collective Bargaining Agreement with

O'CONNOR HOSPITAL

SAINT LOUISE REGIONAL HOSPITAL

ST. FRANCIS MEDICAL CENTER

ST. VINCENT MEDICAL CENTER

November 1, 2018 - October 31, 2021

#### FOREWORD

## Dear SEIU United Healthcare Workers - West Member,

This Agreement is the result of many long, hard hours of collective bargaining between your employer and negotiating committee members from your facility. Our success at the bargaining table is directly related to the degree of strength, commitment, and unity achieved among our members. Our rights, our benefits, and our working conditions must never be taken for granted; we have had to fight for everything that we have achieved. We must work to ensure that this contract is enforced each and every day!

Union members should feel free to contact their Shop Steward at any time concerning any matter within the scope of this contract or any other work-related problems. Stewards are the key to building a strong, democratic labor union. They are the "Union on the Job."

In addition, the Union's professional staff is available to help meet the needs of our members and stewards in addressing work-site problems and concerns.

Working in health care is a very difficult and demanding job. The quality of care that you provide, as well as your concern and dedication to your patients, make you very special people. Your Union, United Healthcare Workers - West, is one of the largest healthcare Unions in the United States and the largest healthcare Union in California with over 150,000 members.

Union staff can be contacted at the office of United Health Care Workers - West listed on the cover of this contract. UHW-West headquarters is located at 560 Thomas L. Berkley Way (formerly 20th Street), Oakland, California, 94612. The telephone numbers are (510) 251-1250 or (800) 585-4250.

In Unity,

President

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Fax: 408-557-2844 Sacramento Office

1911 F Street

Sacramento, CA 95814

Phone: 916-326-5850 Phone: 877-768-6466

Fax: 916-447-9405



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# AGREEMENT

This Agreement is executed on this November 19, 2015. It is between United Healthcare Workers - SEIU West (hereinafter for convenience called "the Union") and O'Connor Hospital ("O'Connor"), Saint Louise Regional Hospital ("Saint Louise"), St. Vincent Medical Center ("St. Vincent") and St. Francis Medical Center ("St. Francis") (jointly and separately, the "Employers"). This Agreement is the embodiment of the understanding between the parties for the term that it shall be effective; and as such it represents a compromise of all interests resulting from collective bargaining negotiations. The Employers and the Union, and each of the officers thereof executing this Agreement, jointly and severally represent that they are duly authorized to execute this Agreement.

Need to clarify that the contract applies to all facilities unless otherwise specifically indicated.

# PREAMBLE

It is the mutual intent of the parties that all Employers, Employees, managers, physicians, and Union Representatives treat each other with dignity, respect, courtesy and trust, and that these principles shall also apply in all dealings with patients and visitors. It is further the intent of the parties that the provisions of this Agreement further these goals.

#### ARTICLE 1: SHARED VISION AND RESPONSIBILITY

- A. The Employers and the Union share a commitment to provide high-quality, therapeutic, accessible, affordable healthcare to the communities we serve. The Employers and Union further agree that they shall use their best efforts to provide the highest level of patient care and that they will work together to improve the lives of the people and communities they serve, as well as to maintain a constructive working relationship by: recognizing our own values and the value of others; providing excellent care with gentleness and kindness; acting with integrity, clarity, and honesty; supporting those who lack resources for a healthy life and full human development; and being continuously resourceful and creative. All parties recognize that it is also to their mutual advantage to have efficient and continuous operations of the Hospital in order to provide quality patient care. The Employers acknowledge the benefits of understanding varied cultural/ethnic differences and the need to respect cultural/ethnic diversity.
- B. This Agreement reflects the Parties' commitment to improving quality care; to reducing the cost of healthcare; to reforming the financial framework to serve higher quality and lower costs; to enabling the employer to manage and operate the hospitals within the system efficiently; to making hospital workers the healthiest in California; to making hospital jobs the most desirable in California; and to making California the healthiest state in the country. This Agreement not only embodies these joint commitments, but is premised on the principle that through Labor-Management collaboration and through the joint pursuit of the "common good," we can remake the healthcare system into what is needed at this moment for patients, healthcare workers, and healthcare Employers.

# C. Management Rights

# Retained Rights of Management

Subject to the provisions contained in this Agreement and laws and regulations governing patient care and the practice of nursing, the Employer has the right to operate its business, which includes the right to determine, change, discontinue, alter, or modify in whole or in part, temporarily or permanently, any of the following:

- 1. The number, location, or types of facilities;
- 2. The medical and patient care standards, methods:
- The price of all products and services, the price of all purchases, and the corporate and financial structure of the facilities;
- The equipment and machinery;

- The promotion and demotion of all Supervisors at the facilities, provided that the creation of new Supervisorial positions shall not displace bargaining unit Employees;
- The number of Employees, including the number of Employees assigned to any particular procedure or shift, and whether, when, or where there is a job opening;
- Reasonable standards of performance and whether any Employee meets such standards;
- The need for and the administration of physical examinations or psychological tests, background information, criminal record or drug screening as they pertain to new or probationary Employees;
- 9. The direction and supervision of all of the Employees;
- 10. The adoption of reasonable rules and regulations for all of the Employees;
- The hiring of Full-Time, Part-Time, and Per Diem Employees and the number thereof;
- 12. The utilization of registry and traveling Employees;
- The security of the Employees, premises, facilities, and the property of the Employer; and
- 14. The utilization of the Employer's premises, equipment, and facilities.

# ARTICLE 2: CONTINUOUS QUALITY IMPROVEMENT

Continuous quality improvement is critical to our success. A number of our hospitals' large payers, both governmental and private, have implemented payment reforms tied to clinical processes, patient care experiences, mortality rates, and outcomes. The Parties believe that improving patient care is critical to our success. Employees also desire to improve their work lives by improving the input into key decisions and then observing the outcomes and results. We commit to a course that is evidence-based, that holds all participants (the Employer, the Union, and Employees) accountable in areas that require greater focus, and that ultimately allows all participants to share the rewards of our success.

# ARTICLE 3: RECOGNITION OF UNION AND EXCLUSIONS

A. The Employers recognize the Union as the exclusive representative of Employees covered by this Agreement in the following single bargaining unit. The Employers recognize that this Agreement is a Master bargaining agreement representing separate employers and units which bargain collectively. At O'Connor, the Employer recognizes the Union as the exclusive representative for all Full Time, Regular Part Time, Limited Part Time and Per Diem Service and Maintenance and Technical Employees employed by O'Connor Hospital,

including those listed in Appendix B. At Saint Louise, the Employer recognizes

the Union as the exclusive representative for all Full Time, Regular Part Time, Limited Part Time and Per Diem Service and Maintenance and Technical Employees employed by Saint Louise, including those listed in Appendix B. At St. Francis, the Employer recognizes the Union as the exclusive representative for all Full-Time, Regular Part-Time, Limited Part-Time and Per Diem Service and Maintenance and Technical Employees employed by St. Francis, including those listed in Appendix B. At St. Vincent, the Employer recognizes the Union as the exclusive representative for all Full-Time, Regular Part-Time and Per Diem Service and Maintenance and Technical Employees employed by St. Vincent, as described in NLRB Election Certification 31-RC-8876. This Agreement shall not apply to executive or professional Employees, nor to Employees presently represented by any other collective bargaining representative recognized by the Employers, nor to confidential Employees, nor to supervisory personnel as defined by Section 2(11) of the NLRA.

- B. This Agreement shall also apply to any other classification(s) which may be established within the scope of duties now included within this bargaining unit.
- C. The Employers agree to recognize the Union as the collective bargaining agent on behalf of Employees in any appropriate unit, as defined herein, where a majority of Employees voting vote for SEIU-UHW representation. Such Employees shall be accreted into and covered by this Agreement upon certification of the election results by the NLRB or third party. Where classifications are accreted into this Agreement that are not currently covered, the parties will meet and negotiate over their wages and other terms and conditions that are not already covered by this Agreement.
- D. The Employers agree not to, and expressly waive any right they may have to withdraw recognition concerning, to petition for unit clarification concerning, or in any other way to challenge the inclusion in the bargaining unit of any Employees or classifications or job titles who or which are currently included in the unit on the grounds that they are or may be supervisory or supervisors.

# ARTICLE 4: STANDARDS PRESERVED, PAST PRACTICES AND PRIOR AGREEMENTS

- No Employee shall suffer any reduction in wages or benefits as a result of coverage under this Agreement, unless specifically provided for otherwise in this Agreement.
- B. Past practices in place at the time of the signing of this Agreement will NO LONGER be binding or applicable. Side letters entered by the parties prior to the signing of this Agreement shall no longer be applicable unless newly executed.

- C. With the exception of arbitration decisions, this Agreement supersedes all past practices and all previous oral and written agreements between the Union and the Employers. The parties agree that the relationship between them shall be governed by the terms of this Agreement, or any other amendments, modifications, or alterations thereto.
- D. Additions, changes or amendments shall not be controlling in any way, unless such additions, changes or amendments are reduced to writing and dully executed by the parties subsequent to the date of this agreement.

# ARTICLE 5: JOB SECURITY

- The parties acknowledge a common goal and intent of providing employment and income security to Employees. As such, it is the intent of the parties to avoid displacement of Employees, but recognize that there are circumstances when avoiding displacement cannot be achieved. The parties acknowledge a mutual intention to make use of attrition, business growth, aggressive job matching, retraining and/or other mutually agreed upon mechanisms to accomplish this goal. The Employers will make every effort to avoid displacing Employees (e.g., reduction in force, reduction in hours, daily cancellations, job elimination on a Temporary, indefinite, or permanent basis, etc.) and in so far as it is able, will provide employment security to bargaining unit Employees. The parties agree that Employees faced with displacement from their position shall be given first consideration for reassignment or floating wherever possible in lieu of involuntary reduction. Furthermore, if an Employee is unavoidably displaced, the Employers will assist Employees in identifying other job opportunities in other departments at the home facility, or at other facilities of the Employer. The Employers also agree to the following:
- B. Beginning after January 1, 2018, Regular Full-Time and Regular Part-Time Employees who are covered by this Agreement and who have ten (10) or more years of service shall not be permanently laid off or have their hours permanently reduced except (1) if they have been or are being suspended or terminated for cause; (2) if the Union and Employee have voluntarily agreed to such reductions; or (3) under the circumstances set forth in (a) through (d) below. Employees who are covered by this Agreement and who have ten (10) or more years of service may be laid off for any of the following reasons: (a) the state or federal government declare a state of emergency; (b) material changes have been made in the laws regulating and providing health care delivery in California or the USA; (c) the economy has suffered a substantial economic downturn; or (d) the relevant hospital fails to generate a positive cash flow (EBIDA less Cap Ex). In these circumstances, the Employer will undertake its best efforts to provide secure jobs for its Employees to the extent possible. Prior to the implementation of any layoff of an Employee with ten (10) or more years of service, for any reason or combination of reasons in this subsection, the Employer shall meet with the Union to discuss the decisions and bargain over the effects of any such layoff.

- C. With respect to Employees covered by this Agreement who have less than ten (10) years of service, the Employer has the right to temporarily or permanently layoff such Employees based on the needs of the business. In addition prior to January 1, 2018, the Employer has the right to temporarily or permanently layoff any Employee as allowed by this Agreement.
- D. Training and Upgrade Fund

be an equal number of Union and Employer representatives, who shall be responsible for the creation and operation of this Fund. At least one representative from either O'Conner, Saint Louise, St Vincent or St. Francis would like to be considered as an Employers' trustee for this Fund.

#### ARTICLE 6: SUBCONTRACTING

There will be no subcontracting of bargaining unit work performed by Employees, except by mutual agreement between the Employers and the Union. Upon request by an Employer, the Union agrees to meet and confer with the Employer regarding its need to subcontract work. The Union will undertake its best good faith efforts to try to reach an agreement with the Employer that provides for a viable solution to achieve the objectives intended by the proposed subcontracting. The Employer may continue to subcontract bargaining unit work that has historically been subcontracted.

Unless otherwise agreed, the Employers shall not proceed with such subcontracting/outsource contract unless the subcontracting/outsource company offers all impacted employees comparable employees the Union as the bargaining representative of current bargaining unit employees to be outsourced. The subcontracting/outsource company shall agree to assume the parties' collective bargaining agreement, except for the defined benefit described in Article 28, which shall remain the sole and exclusive liability/obligation of the Employers. The Employers will maintain responsibility for the outsourced employee's defined benefit pension liability on par with existing employees.

# ARTICLE 7: EQUAL EMPLOYMENT OPPORTUNITIES

#### A. Discrimination

- Neither the Employers nor the Union will engage in conduct that would constitute unlawful discrimination under the National Labor Relations Act. Union activities shall not interfere with the normal operations of the Employers.
- 2. Neither the Employers nor the Union shall discriminate for or against any

Employee because of race, creed, color, religion, age, sex, sexual orientation, national origin, ancestry, disability, medical condition, veteran status (including Vietnam-era or disabled veteran status), political affiliation, marital status or in violation of any City, State or Federal laws.

- Each party retains its right to challenge any administrative, judicial or other ruling or interpretation of any applicable laws relating to any form of discrimination if it disagrees with such ruling or interpretation.
- Any grievance alleging in whole or in part, discrimination as set forth above may either be pursued through the provisions of Article 31, Grievance And Arbitration, and/or through statutory remedies.

# B. Equal Pay

There shall be no distinction between the wages paid to men and the wages paid to women for the performance of comparable quality and quantity of work on the same or similar operations.

# ARTICLE 8: UNION MEMBERSHIP

# **Union Security Provisions**

# A. Union Membership Requirements

- During the life of this Agreement, Employees of the Employers who are
  covered by this Agreement shall be required as a condition of employment
  to meet and maintain the core requirements of membership in the Union in
  good standing, subject to federal law. Compliance is required by the 31st
  day after employment or the 31st day after the date of this Agreement,
  whichever is later.
- 2. The Union shall notify the Employer and the affected Employee in writing of an Employee's failure to comply with the provisions of this Article and shall afford each such Employee fifteen (15) work days, after the Employee has been mailed such notice at his or her last known address, in which to comply. If said Employee does not comply with the provisions of this Article within the ten (10) day period following actual notice, the Employee shall be promptly terminated upon written notice of such fact from the Union and the Employer. The Union will hold the Employer harmless from any claims or liability arising out of this Section, including the expense of defending against such claims.

#### B. Notice to New Employees

 At the time a new Employee, who will be covered by this Agreement, is hired, the Employer shall deliver to the Employee a written notice stating that the Employer recognizes the Union as the collective bargaining agent for the Employees covered by the Agreement and a Union application, dues authorization card, and COPE authorization card. This written notice shall quote or paraphrase the provisions of this Article of the Agreement.

 The Employer will also provide each new Employee with a list, prepared by the Union, of current Union Problem Solvers, their departments and/or work areas and telephone numbers.

# C. Deduction of Union Membership Fees and COPE Check-Off

- The Employer will honor an authorization by Employees to withhold from wages and remit to the Union for the payment of Union membership fees when such authorizations are submitted in a form agreed to by the Employer and the Union.
- 2. The Employer will promptly remit the financial obligations deducted pursuant to such authorizations, together with a list on hard copy and a disk or electronically showing the following information for Union rate, former and new department, shift status (i.e. regular, Part-Time, Per Diem, Temporary) and date of transfer. The Employer is not required to provide that data for Employees who have transferred out of the bargaining unit, other than a list of Employees with their name, former and new department, date of transfer and social security number.
- The Employer hereby agrees to honor COPE contribution deduction authorizations from its Employees who are Union members.
- 4. The Union will hold the Employers harmless against any claim which may be made by any person by reason of the COPE deductions described herein, including the cost of defending against such claim. The Union will have no monetary claim against the Employers by reason of failure to perform under this Article.

# ARTICLE 9: BULLETIN BOARDS

The posting of Union notices will be limited to the bulletin boards to which the Union is given use under this Section.

A. At Saint Louise, the Union shall be given use of one (1) glass, locked, and enclosed bulletin board located in the hallway near engineering, near east entrance for the exclusive use of the Union.

In addition, the Union shall be given use of unlocked bulletin boards in the following locations:

Admitting	Dietary
Housekeeping	Laboratory
MSP	Labor and Delivery

Diagnostic Imaging	Materials Management
Respiratory Therapy	Surgery
Central Processing	Pharmacy

B. At O'Connor, the Union shall be given use of one (1) glass, locked, and enclosed bulletin board located in the hallway (next to the Human Resource bulletin board) leading to the Cafeteria, for the exclusive use of the Union.

In addition, the Union shall be given use of unlocked bulletin boards in the following locations:

Pharmacy	ER
ER Registration	EVS
Sports Medicine	Nutritional Services
Laboratory:	Surgery
Center for Life	Pathology
Radiology	Med Surg Oncology
Labor & Delivery (3W)	Nursery
Med Surg Ortho	Ambulatory Surgery
ICU	Medical Records
Physical Medicine	2 SE 2nd Floor
Radiation Therapy	Inpatient Admitting
Supply	Distribution
Out-Patient Admitting	Wound Care Center
Telemetry/ICTU	

- . Family Life
- 2. Human Resources
- 3. PCU Building
- 4. Health Services Pavilion (HSP)
- 5. Tower, Terrace Level, Support Services Corridor

Additionally, the Union will have access to a space not less than 8½ inches by 14 inches on existing bulletin boards in all break rooms or equivalent areas in bargaining unit Employees' home departments.

D.B. At St. Vincent, the Employer shall have two (2) glass, locked and enclosed bulletin boards located outside the doctors' dining room for posting of official Union business.

# ARTICLE 10: CATEGORIES OF EMPLOYEES

A. Employee Categories Described: There shall be five (5) Employee categories:

#### 1. Regular Full-Time

A "Regular Full-Time" Employee is one who is regularly scheduled on a predetermined basis for forty (40) hours in each workweek, or eighty (80) hours in each fourteen (14) day pay period, or thirty-six (36) or more hours in a workweek in the case of any Employee regularly scheduled on an alternative work schedule. Commencing on the first of the month following completion of the Employee's thirty (30) day waiting period, the employee will be eligible for Paid Time Off and health and welfare benefits.

#### 2. Regular Part-Time

A "Regular Part-Time" Employee is one who is regularly scheduled on a predetermined basis to work at least thirty (30) hours but less than forty (40) hours in each workweek, or at least sixty (60) hours but less than eighty (80) hours in each fourteen day period (except for Employees referenced in "1." above who work twelve-(12) hour shifts). Commencing on the first of the month following completion of the Employee's thirty (30) day waiting period, the employee will be eligible for Paid Time Off and health and welfare benefits.

Transition of Updated Definition of Regular Part-Time

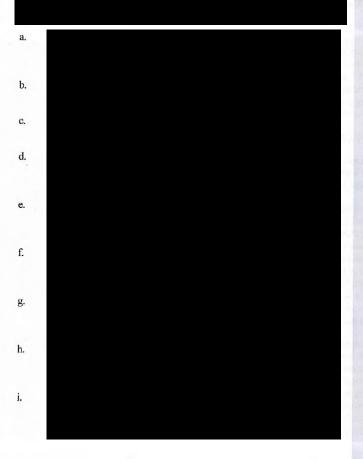
- New Hires the above definitions of Regular Full-Time and Regular Part-Time will apply to new hires with a start date of December 1, 2015, or later.
- b. Current Employees classified as Regular Part-Time who work 20 hours and less than 30 hours in each workweek will be offered a Regular Part-Time position working 30 hours per workweek or more prior to January 1, 2017. Regular part-time employees who work less than 30 hours per week and are currently receiving medical or other benefits shall continue to receive those benefits until such time as the employee either waives benefits and/or is offered a benefited position in accordance with "c" below and declines such position, in which case the employee shall become benefits ineligible the following month.
- c. Employees will be offered open Regular Part-Time positions in their job classification in seniority order. If no Employee accepts the position within the seven (7) day posting period, the lowest senior Employee in that job classification will be given the choice of taking the available position or staying in their current position as a Limited Part-Time Employee without benefits. The Employee's benefits will terminate the last day of the month in which the employee makes the choice to remain in the Limited

Part-Time position.

# 3. Limited Part-Time

Limited Part-Time. A "Limited Part-Time" Employee is one who is regularly scheduled on a predetermined basis to work less than thirty (30) hours in each workweek, or less than sixty (60) hours in each pay period.

# 4. Per Diem



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# 5. Temporary

Before resorting to Registry or Temporary Agency personnel, the Employers shall offer Temporary work to existing Employees. A Temporary Employee is one who is hired either Part-Time or Full-Time on a pre-determined work schedule to work for a limited period which shall not extend beyond ninety (90) calendar days. The ninety (90) calendar days may be extended in any given case by mutual agreement of the Union and the Employers, and the Union's agreement to such extension will not be unreasonably denied.

- a. In the event that a Temporary Employee becomes a Regular Full-Time or Regular Part-Time Employee, the qualifying date for any applicable pay raises pursuant to Article 18 starts with his or her most recent date of continuous employment, and the qualifying date for fringe benefit eligibility and accrual is the date of reclassification to Regular Full-Time or Part-Time status.
- b. A Temporary Employee shall not be terminated solely to prevent his or her advancement to Regular or Limited Part-Time status when the Temporary job continues in effect or for the sole purpose of keeping a regular job constantly staffed by Temporary Employees.
- c. Posting Temporary Positions. Temporary positions will be posted in accordance with Article 14, Seniority and Job Vacancies, if such positions are expected to last for periods in excess of thirty (30) days. A Temporary position is a position for which the Employers establish a pre-determined work schedule for a limited duration not expected to exceed ninety (90) days and which the Employers intend to fill a pre-scheduled regular basis.
- d. Return from Temporary Position. If a Regular Full-Time, Regular Part-Time, Limited Part-Time, or Per Diem Employee successfully bids for a Temporary position, he/she will maintain his/her Employee category and, in the case of a Regular Full-Time or Regular Part-Time Employee, will continue to accrue benefits and upon the conclusion of the Temporary assignment, he/she shall return to his/her former position.
- e. In this case, the vacated position of this Employee will also be posted, but any Temporary position resulting from the bidding of the second posting will not be posted, unless the second (or other vacant position) is a Regular Full-Time or Regular Part-Time position.
- f. An Employee working in a Temporary position shall not be

reclassified to Regular Employee status unless such position extends beyond ninety (90) days.

# B. Allocation of Additional Hours of Work

- Additional hours of work is Temporary work, work required due to a sudden increase in patient census that was not anticipated, work that is not pre-scheduled or a hole created in the schedule by the scheduled time off of regularly scheduled Employees.
- 2. Availability for Work. Limited Part-Time Employees and Per Diem Employees will submit, in writing, their availability for work. Full-Time, and Part-Time Employees will submit, in writing, their availability for additional work. Employees will indicate the days of the week and shifts for which they are available. The Employers shall maintain such records and lists by classification and Employee category so that the provision of this Section can be properly maintained.
- 3. The Employers shall offer additional hours of work to Employees who have made themselves available in the same classification and department as long as the additional work would not cause the Employers to incur overtime or double time liability. The Employers will offer pre-scheduled additional hours of work by seniority according to the following preference list.
  - Regular Full-Time Employees who have been canceled due to Low Census Days, as long as the additional work would not cause the Employer to incur overtime or double time liability.
  - b. Regular Part-Time Employees who have been canceled
  - c. Regular Part-Time
  - d. Limited Part-Time
  - e. Per Diem

The above preference order will not result in bumping Employees out of work which is prescheduled.

- If the Employers cannot fill the additional hours of work at a straight time rate, overtime will be offered to qualified Employees by seniority before resorting to Registry.
  - Overtime shifts will be assigned from a list of those Employees indicating their desire to work such shifts.
  - b. Scheduled and unscheduled voluntary overtime will be offered

- beginning with the most senior Employee on the voluntary overtime list and rotating through the list.
- Employees shall have the right to decline the overtime if offered, except as provided in the section on Mandatory Overtime, below.
- Mandatory Overtime: The Employers and the Union recognize that mandatory overtime is not desirable and represents a burden on the Employees. Acceptance of overtime and shifts beyond the Employee's schedule shall be voluntary and in accordance with state law or regulations, except where patient care would be endangered by an internal or external emergency declared by state, local or federal government, or declared by the administrator on duty. An internal or external emergency, for the purposes of this section is defined as an unexpected situation and sudden occurrence of a serious and urgent nature that demands immediate action.

# C. Reclassification

The reclassification provisions shall not apply to hours worked by an Employee temporarily replacing another Employee who is on any approved leave of absence.

- 1. A Per Diem or Limited Part-Time Employee who regularly works sixty (60) hours or more each pay period, every pay period (in a single job classification but not necessarily on the same list) for ninety (90) days or more shall be reclassified, to Regular Employee status, and the applicable regular work schedule. The applicable work schedule shall be based on the lowest number of hours worked during any pay period within the ninety (90) calendar day period. Any reclassification to Regular Employee status under this paragraph shall be effective as of the 90th day, except:
  - Benefit accruals shall be effective as of the beginning of the pay period closest to the date of such reclassification and are subject to any waiting period or other requirements contained in the Agreement;
  - b. If retroactive corrections in status are made, health benefits and life insurance shall be effective prospectively (at the beginning of the following month), and the Employee shall have no deduction for any premium in lieu of benefits received in the interim.
- A Per Diem Employee shall not be reduced in hours solely to prevent his
  or her advancement to Regular or Limited Part-Time status when the Per
  Diem hours continue to be available or for the sole purpose of keeping a
  regular job constantly staffed by Per Diem Employees.

- A Regular Part-Time Employee who is regularly assigned for ninety (90) calendar days or more to a work schedule which exceeds the Employee's regular work schedule by at least a full shift, for each and every pay period of the ninety (90) day period (e.g. a Regular Part-Time 4/5 Employee is regularly assigned a Full-Time schedule), shall be reclassified to the applicable regular work schedule provided that the additional hours fall on the Employee's normal shift. For the sole purpose of the first sentence (1) if the Employee has Paid Time Off (PTO/ESL) for a one week period or longer, the ninety (90) day period shall be extended by the same number of days for which the Employee was off work on such Paid Time Off, and (2) if the Employee has a paid day off, on a scheduled workday, such day(s) shall be counted as a regularly assigned workday. The applicable regular work schedule shall be based on the lowest number of additional shift(s) worked during any pay period within such ninety (90) day period. Any reclassification under this Paragraph shall be effective as of the ninetieth (90th) day, and increased benefit accruals shall be effective the beginning of the pay period closest to the date of such reclassification. The provisions of this Paragraph may be waived only by the mutual written agreement of the Employee, the Union and the Employers.
- 4. Employees performing duties in a higher classification for ninety (90) calendar days shall be reclassified to the higher classification on the ninety-first (91st) day, unless the Employee is covering for an Employee on a leave of absence for any duration. The Employer shall not reassign duties for the sole purpose of avoiding the reclassification.
- For the purpose of this Section only, shifts shall be defined as follows: (1)
  Days start on or after 5:00 a.m. but prior to 12:00 noon; (2) PMs start on
  or after 12:00 noon but before 10:00 p.m.; and (3) Nights start on or after
  10:00 p.m. but before 5:00 a.m.

#### ARTICLE 11: FULL-TIME EMPLOYMENT

A. Thirty-six (36) hours per week Employees

Employees who work a twelve (12) hour shift, three (3) days a week, shall be guaranteed a minimum of 936 hours of work or wages over a six (6) month period.

B. Forty hours per week Employees

Employees who work a ten (10) hour shift, four (4) days a week, or an eight (8) hour shift, five (5) days a week, shall be guaranteed a minimum of 1,040 hours of work or wages over a six (6) month period.

- C. Paid Time Off (PTO), which is taken voluntarily, paid time for meetings, and overtime hours will count as hours worked toward the guaranteed hours; provided, however, that the Employers shall not require an Employee to involuntarily take PTO to satisfy the applicable number of guaranteed hours under this Section.
- D. If an Employee fails to work scheduled hours, such hours will be subtracted from the total guaranteed hours.
- E. If an Employee is suspended due to discipline for cause, such hours will be subtracted from the total guaranteed hours.



G. At or around July 1 and January 1, the Employers will assess and account for the hours worked by each Full-Time Employee to ensure that to the extent possible consistent with business conditions, they have worked the guaranteed minimum hours and to make deficient Employees whole financially, consistent with the above provisions.

#### ARTICLE 12: PROBATIONARY PERIOD

- A. Regular Full-Time and Part-Time Employees shall be on probation for ninety (90) calendar days following their date of hire. All other Employees shall be on probation for 135 calendar days or the completion of sixty-five (65) shifts, whichever occurs first, after date of hire.
- B. At its sole discretion, the Employers may terminate the employment of any probationary Employee and such termination shall not be subject to the grievance procedure of this Agreement. Nothing in this Agreement shall preclude a grievance alleging violation of Article 7 Equal Employment Opportunities during the Employee's probationary period.
- C. The probationary period may be extended by an additional thirty (30) days with notice to the Union. The Employer may extend the probationary period beyond the additional thirty (30) days only with the consent of the Union.
- D. At the completion of the probationary period, seniority date shall be from the

Employee's most recent date of hire into a bargaining unit position by the Employers.

# ARTICLE 13: NEW EMPLOYEES, ORIENTATION, EMPLOYEE LISTS

- A. During the new hire orientation for new Employees, the Employers will allow a representative of the Union up to one (1) hour during the final period of such program, to discuss the Union and the terms of this Agreement. Attendance by new Employees shall not be counted as work time if the discussion causes the orientation to exceed eight (8) hours in the workday. However, the Employers will make every effort to ensure that the Union orientation occurs within the eight-hour period. In the event a Shop Steward is assigned, the Steward shall be released from work without loss of pay to participate in the session, provided that patient care permits. Where such program is regularly scheduled such release should normally occur.
- B. The Employers will provide to the Union the following information no later than the 15th of each month in both hard copy and on disk (on Excel or Quattro Pro or any similar computer format):
  - a list of new hires, including their name, home address, home phone number, classification, wage rate, department, shift, status (i.e. Regular Full-Time, Regular Part-Time, Per Diem, Temporary), and date of hire;
  - a list of terminations, including the name, home address, home phone number, classification, department, shift, status (i.e. Regular Full-Time, Regular Part-Time, Per Diem, Temporary), date of termination, and reason for termination (i.e. resignation, discharge, permanent reduction in force, retirement); and
  - a list of Employees who have transferred into, or within the bargaining unit, including name, home address and phone number, in addition to an Employee's former and new classification, former and new wage rate, former and new department, shift status (e.g. Regular Full-Time, Regular Part-Time, Per Diem, Temporary), and date of transfer. The Employers are not required to provide the data for Employees who have transferred out of the bargaining unit, other than a list of Employees with their names, former and new departments, and dates of transfer.

## C. Use of Social Security Numbers

 The Union represents that it intends to use Employee social security numbers for its valid business purposes relating to its record keeping and dues collection functions only, and agrees that it will use its best efforts to keep Employee social security numbers confidential. 2. The Union agrees to indemnify and hold harmless the Employers from any and all claims and liabilities that result from the Union having been given Employee social security numbers. The Union further agrees that, where required, the Employers will provide Employee social security numbers to the Union on lists (in hard copy and electronic format) separate from Employee addresses and telephone numbers.

## ARTICLE 14: SENIORITY AND JOB VACANCIES

## A. Bargaining Unit Seniority

Bargaining unit seniority shall be defined as the period of continuous employment from the most recent date of hire that a Full-Time, Part-Time or Per Diem Employee works in a job classification covered by this Agreement. Bargaining unit seniority shall not be adjusted for legally protected leaves of absence. If an Employee terminates or leaves a covered job classification and returns within three (3) months or less, the time away from the bargaining unit will not be adjusted, and the previous bargaining unit seniority date would remain. If an Employee returns to a covered job classification after three (3) months or more, their previously accrued bargaining unit seniority will not be bridged, and their bargaining unit seniority will be reestablished as of the new date they are placed into a job classification covered by this Agreement.

## B. Department Seniority

Department seniority is defined as the date of hire into the current department or date of hire into the former department if placed in the current department as a result of reorganization or restructuring of work. Department seniority shall have limited uses as described below.

Department seniority shall govern in the following applications only within the department: job bidding for higher rated or equal classifications within the department only, additional hours, PTO scheduling, and designated holiday scheduling. For all other purposes, bargaining unit seniority shall govern.

## C. Seniority List

There shall be one bargaining unit seniority list, which shall be updated every month and sent to the Union representative. A separate quarterly list shall be maintained for Per Diem and On-Call Employees, and they shall be ranked on such list by total hours of employment.

#### D. Use of Seniority

Seniority may be utilized in accordance with the terms of this Agreement.

## E. Loss of Seniority

An Employee's seniority will be permanently lost under the following scenarios:

- Voluntary termination of employment, unless rehired within three (3) months;
- Discharge for just cause;
- Failure to return from any authorized leave of absence (In the event of an emergency, the Employee will receive an additional 5 business days to request an extension);
- Failure to return to work within thirty (30) days after being recalled to work:
- 5. Layoff of two (2) years or more; or
- Voluntary transfer to a non-bargaining unit position unless returned to bargaining unit within 90 days.

#### F. Retained Seniority

If an Employee transfers from Full-Time or Part-Time to Per Diem status, she or he shall not lose his or her seniority and such seniority shall continue to accrue.

## G. Job Vacancies, Posting and Bidding

Positions under this Agreement which are permanently vacated and/or newly created will be posted internally for an initial period of seven (7) calendar days. Interested Employees may bid for such jobs within the seven (7) calendar day period by completing a transfer request form provided by the Employer for that purpose. The seven (7) calendar day period for posting and receiving bids may be extended or shortened at the Employer's discretion. Posting for open positions shall be displayed at appropriate locations at the Employer. Job title, shift, minimum requirements, primary functions and status will be included in the posting. Should temporary positions become available for permanent placement, the position must be posted. All current associates who meet minimum requirements are to be given primary consideration. This does not prevent the Employer from filling the vacancy on a Temporary basis until such position is filled.

 Bidding on Posted Vacancies. Any current Employee who has successfully completed his/her probationary period in accordance with Article 12 may apply for a posted vacancy by completing the transfer request process.

- Restriction on Bidding. An Employee who applies for and is awarded a
  posted position may not be awarded another posted vacancy within the
  next six (6) months. This rule shall not apply:
  - a. If a posted vacancy arises in the same department which would change the number of pre-scheduled hours of the bidding Employee, or the scheduled start and end times, or the days of work and days off, or the Employee's shift, or would change the Employee's classification; or
  - If the bidding Employee is in his/her current position as a direct result of a job change or layoff.
  - c. Limitation. It is understood that any bid under this Article is limited to vacancies in bargaining unit positions and not to assignments arising from rotation of personnel, paid time off, or sickness relief.

# 3. Preference Order

Preference among those bidding shall be given in the following order among bidding Employees from the same preference level. Among bidding Employees from the same preference level, seniority shall govern. The prior sentence is subject to the provisions that (1) the bidding Employee must meet all reasonable qualifications of the job established by the Employers (the Union has the burden of establishing that the Employers' qualifications are unreasonable), and (2) ability and performance must meet minimum requirements in the Employers' reasonable judgment, and if the Employers' judgment is disputed, the Employers have the burden of establishing that their judgment was reasonable.

- Regular Employees from the same department, including Regular Employees on layoff, and Regular Employees who remain on the Per Diem list who have been laid off.
- Regular Employees from other departments and Limited Part-Time Employees from the same department, including such Employees on layoff, and Regular Employees who remain on the Per Diem list.
- Per Diem and Temporary Employees, in that order, from the same department.
- d. Limited Part-Time Employees from other departments.
- Per Diem and Temporary Employees, in that order, from other departments.

- Regular Employees from another facility covered by this Agreement, in a comparable classification from the same department.
- g. Regular Employees from another facility covered by this Agreement, from another department, and Limited Part-Time Employees from another facility covered by this Agreement, in a comparable classification from the same department.
- Per Diem and Temporary Employees, in that order, from another facility covered by this Agreement, from the same department.
- Limited Part-Time Employees from another Verity facility covered by an SEIU contract, from other departments.
- Per Diem and Temporary Employees, in that order, from another facility covered by this Agreement, from other departments.
- Applicants who are former Employees who left in good standing with not more than one (1) year's absence from the Employers.
- Other applicants.

## 4. Application of Seniority for Transferring Employees

- a. Employees who are transferring from another Employer covered by an SEIU contract, shall have their bargaining unit seniority with the previous facility recognized for the purposes of wage rates and benefit accruals.
- b. With regard to the application of seniority, for the purposes of layoffs and subsequent job bidding, bargaining unit seniority from the previous facility will be credited provided that the facility from which the Employee originates reciprocally recognizes the seniority of an Employee from another Employer covered by an SEIU contract.

#### 5. Notification of Selection

Employees submitting a written bid for a posted vacancy under this subsection shall be informed by the Employers whether or not they are awarded the position.

## 6. External Selection

For vacancies that are not filled internally (i.e. according to the preference order set forth above), the Employers may employ the person who, in its

judgment, will make the best Employee. The Employers shall be the sole judge of the fitness of any applicant.

## 7. Seniority Application

The seniority of bidding Employees shall be determined by the Employee's bargaining unit seniority rather than in the particular classification or Employee category.

#### 8. Limitation

It is understood that any bid under this Article is limited to vacancies in bargaining unit positions and not to assignments arising from rotation of personnel, paid time off, or sickness relief.

## 9. Potential Vacancies

Employees expected to be on vacation for a period of more than seven (7) days may submit a request for transfer to a potentially available position. Such request must be submitted in writing to the Human Resources Department. Such written request shall constitute an automatic bid for thirty (30) days or for the period of vacation, whichever is less. It is understood that any written request under this Article is limited to vacancies or potential vacancies in permanent positions subject to this Agreement.

# 10. Evaluation Period after Promotion or Transfer

Employees who are promoted to a new position or who transfer to another position through the bidding process, shall have up to ninety (90) days of evaluation of their performance. If, at any time within such ninety (90) day period, the Employee fails to perform satisfactorily, such Employee shall be returned to his/her former position including shift, assignment and scheduled hours without loss of seniority, provided his/her former position is still available. If the Employee's former position is not available, the Employee shall be returned to a comparable position in the same classification, provided such position is available, or become a Per Diem Employee in their previous classification until such time as they are able to re-apply into a benefited position.

## 11. Departmental Structure

The following are the Hospitals' departments for purposes of bidding, layoff, and recall only. These departments shall not apply to any other section of this Agreement.

## At Saint Louise and O'Connor Only:

Admitting	Cardiopulmonary	
Clerical	Diagnostic Imaging	
EVS	Laboratory	
Materials Management	Medical Records	
Nutritional Services	Patient Care Services	
Pharmacy		

# At St. Francis Only:

Admitting	Adult Respiratory Therapy/Pulmonary Lab
BioMed	Cardiology/Cath Lab
Case Management	Central Processing
Clerical	Diagnostic Imaging
Dietary/Nutritional Services	Engineering
EVS	Gift Shop
Lab	Materials Management
NICU Respiratory Therapy	Patient Care Services
Pharmacy	

# At St. Vincent Only:

Admitting	Multi-Cultural Health Awareness	
APLC	Nursing (Acute Rehab, ICU, Med Surg-6, Med Surg-7, Short Stay, TCU, Telemetry)	
CTC	Orthopedic Services (JRI, Spine, Ortho)	
Cardiac Cath	POB Dialysis	
Cardiology-OP	Radiology Services/Diagnostic Imaging (CT, MRI, Ultrasound, X-Ray, Mammography, Nuclear Medicine)	
	Receptionists	
Central Services Supply	Respiratory	
Clinical Lab & Pathology	Surgical Services (Doheny & Main)	
Communications	Transplant Services (Pre & Post)	
Emergency Room	Unit Secretary	
Gift Shop/Guest Relations	Pharmacy	

# 12. Seniority Tie Breaker

If Employees have the same seniority date, the following tie-breaker will be used to determine the seniority order:

Date first worked.

- If the date first worked is the same, date of submission of application for employment.
- c. If the date of submission of application is the same, the larger of the last four (4) numbers of the Employees' social security

## ARTICLE 15: LAYOFF AND RECALL

## A. Layoff Defined

Temporary Layoff is defined as a layoff which is not expected to be more than one (1) to fifteen (15) calendar days. Indefinite layoff is defined, as a layoff, which is of uncertain duration and is expected to be in excess of fifteen (15) days. Permanent layoff is defined as a layoff in which there is no reasonable expectation of recall. Associate status or classification changes for any reason do not entitle an associate to severance pay.

## B. Implementation of Indefinite or Permanent Layoff

If after exercising every effort to avoid layoff in conformance with Article 5, it is necessary to conduct an indefinite or permanent layoff, then such layoff shall be undertaken through the following procedure. It is the intent of the following provisions to protect the most senior Employees in case of reductions, and to preserve their shift and hours as is practicable under the circumstances.

# 1. Notice

Prior to implementing an indefinite or permanent layoff, the Employers will provide the Union and affected Employees with thirty (30) days written notice and six (6) months notice in the case of facility closure.

#### 2. Order

Indefinite or permanent layoffs shall occur in the following order:

- a. Volunteers
- b. Temporary
- c. Probationary
- d. Per Diem
- e. Limited Part-Time
- f. Regular Part-Time
- g. Regular Full-Time

Indefinite or permanent layoffs will be in reverse order of seniority by classification within a department, provided that the remaining Employees are qualified and able to perform the work with reasonable orientation and/or training.

## C. Alternative Arrangements

Upon mutual agreement the Union and the Employers may agree to an alternative arrangement regarding reduction in force.

## D. Time Frames Regarding Layoffs

The Union and the Employers acknowledge their mutual intention to meet and address issues involving reductions in force in an expeditious manner, and such issues shall be resolved without undue delay. Accordingly:

- In situations involving ten (10) or fewer Employees, alternatives to the layoffs shall be identified and implemented in thirty (30) days or less; and
- In situations involving more than ten (10) Employees, alternatives to the layoffs shall be identified and implemented in sixty (60) days or less.

## E. Arbitrator

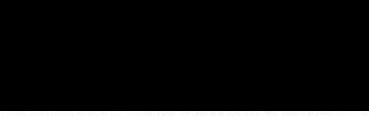
Should the Employers and Union fail to reach agreement on alternatives to the reductions in force within the timelines set forth above, the matter shall be submitted to a permanent Arbitrator within five (5) days of the expiration of the timelines set forth in (1) and (2) above and the Arbitrator shall issue a decision within thirty (30) days thereafter. The Employers and the Union may mutually agree to extend the timelines above. Should the Arbitrator find that either party, through action or inaction, has caused undue delay or otherwise failed to provide relevant information, the Arbitrator may extend the thirty (30) day time limit for issuance of a decision by an additional fourteen (14) days. During the term of this Agreement, the permanent Arbitrator shall be John Kagel. It is not the intent of this paragraph to circumvent any rights the parties may have under Article 30: Committees or other provisions of the collective bargaining agreement.

## F. Transfer Rights

Bargaining unit Employees who are subject to layoff may submit a bid for an existing or potential vacancy under the job bidding procedure set forth above. An Employee who is subject to layoff and who is interested in being oriented and/or trained for a vacant position covered by this Agreement, may request to be provided orientation and/or training by the Employers for a specific vacant position, provided the Employee could qualify for the position after a reasonable orientation/training period. Such bidding rights are in addition to the Employee's recall rights as set forth below. An Employee transferring to a new classification or department under this section shall retain those recall rights in the former classification which were earned up to the time of transfer and can exercise such rights if a vacancy occurs in such classification in the twenty-four (24) months following the layoff.

G. Benefits

H. Severance Pay



Benefited Part-Time Employees will receive severance pay, per the schedule above, prorated in direct proportion to their current scheduled hours as noted on the time card.

#### I. Recall

- For a period of twenty-four (24) months from the date of indefinite or permanent layoff, Employees who, as a result of the reduction, are laid off, are entitled to recall.
- Recall of Employees to regular positions in a particular classification and department from an indefinite or permanent layoff shall be by seniority.
- 3. An Employee shall remain on the recall list unless he or she is offered and declines a position in the same classification in the same department at the same facility on the same shift with the same number of hours as the position from which he/she was laid off or reduced from.

## ARTICLE 16: CALL-OFFS AND DAILY CANCELLATIONS

After exercising every effort to avoid cancellations, it may be necessary to require an Employee to take time off without pay during temporary periods of low census or other occasions when staffing needs to be adjusted on a temporary basis.

## A. Definition

"Call-off" occurs when an Employee, at the request of the Employer, is directed not to report to work for a regularly scheduled shift. "Flexing" occurs when an Employee who is at work is directed to cease work before the end of the Employee's regularly scheduled shift.

#### B. Rotation

During periods of low patient census, Employees will be flexed or called off in the following order:

- 1. Volunteers
- 2. Registry
- 3. Travelers
- Temporary Employees
- 5. Employees Working an Overtime Shift (double time first)
- 6. Per Diem
- 7. Limited Part-Time Employees
- 8. Regular Part-Time Employees
- 9. Regular Full-Time Employees

Cancellations shall be by rotation (so long as qualifications, competencies, and abilities of the affected Employees are substantially equal), by classification, within each department and shift. The rotation list will begin with the least senior Part-Time Employee and proceed in seniority order through all Part-Time Employees followed by Full-Time Employees in seniority order, in a given classification, within each department and shift. The Employee that is selected for cancellation will be the individual who has the greatest length of time since his/her last call-off or cancellation.

## C. PTO Election

An Employee who is called-off or is flexed may elect to be paid for such time by applying accrued PTO.

## D. Called-Off Employees Excused for Shift

In the event an Employee is called-off for her/his scheduled shift or a portion thereof due to low census, an Employee will be considered excused for the entire balance of her/his shift and return to work shall be voluntary. If the Employee is requested to and agrees to go "On Call" following call-off or flexing, the Employee shall be paid for such On Call time and Call Back in accordance with Article 18 Section I. 4.

## E. Call-Off Log/ Record

A log/record shall be maintained by the Employer, available to Employees and the Union, that records all HCD's/LCD, call-offs and flexing.

## F. Call-Off Notice

The employer will call-off Employees at least two (2) hours prior to the commencement of their scheduled shift.

## G. Call-Off or Flexing as Time Worked

If an Employee is cancelled, the hours that an Employee was scheduled to work shall be counted as time worked for the following only:

- 1. Vesting and service credit under the retirement plan
- 2. Waiting periods under health insurance and other fringe benefit plans

## ARTICLE 17: FLOATING

#### A. Orientation for Floating

When Employees are floated between units or departments, they will not be required to perform duties for which they are not competent, and will be given orientation, as appropriate. Employees may be floated to other units or departments in order to receive training that will enable the Employee to competently perform duties in the unit.

## B. Floating Order

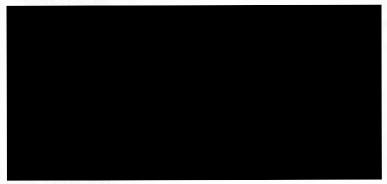
- Employees who float to another unit or department will do so on a
  rotational basis within the departmental classification being floated,
  provided said Employee is competent to perform the assignment in the
  unit to which he/she is floated.
- A unit/department may float on a straight seniority basis within a classification, if in a vote conducted by the Union, a majority of Employees in that unit or department chooses to implement a seniority system.
- Before floating regular Employees, the Employers shall float Employees in the following order:
  - a. Volunteers
  - b. Registry/Travelers (provided competencies exist)
  - c. Temporary Employees
  - d. Per Diem Employees
  - e. Limited Part-Time Employees
  - f. Regular Part-Time Employees
  - Regular Full Time Employees

# C. Floating to More than One Unit/Department

No Employee will float to more than one (1) department or unit during a single shift, unless floating to multiple departments/units is a regular part of an Employee's assignment.

## ARTICLE 18: CLASSIFICATION AND WAGES

## A. Schedule of Wages



## B. Step Advancement

On an employee's anniversary date, an employee shall be placed on the step corresponding to his or her year of service as provided in the applicable wage grid. Any employee who qualifies for step progression effective January 1, 2017 shall be advanced as provided in this section. The step placement shall be effective with the first full pay period following June 29, 2017. To avoid any ambiguity, no employee will receive retroactive payments for the 2015 and 2016 step progression.

The above paragraph does not apply to St. Vincent employees and O'Connor technical employees who were placed on the applicable wage grid following the parties' bargaining in 2016. The phase in step agreement remains in place. However, prior to or on October 31, 2018, employees shall be placed on the step corresponding to his or her year of service as provided in the actual wage grid. There shall be no retroactive payment made to these employees. Those employees specifically named in the implementation schedule for the wage scale agreement will be on a the step appropriate to years of service on or by October 31, 2018 and will thereafter have their steps unfrozen. Those employees i) not specifically named in the implementation schedule for the wage scale agreement and ii) who were hired after the wage scale agreement was signed shall be unfrozen as the rest of the bargaining unit in the first full pay period following June 29, 2017. This section is not intended to reduce the rights or wages scheduled under the O'Connor-Techs or St. Vincent Medical Center Wage Scale agreements.

# C. Compensation Rate Review

The Union and the Employers agree that it is in their best interest to recruit and retain qualified experienced staff. To this end, upon request of either party,, the Employer and Union will meet to bargain wage scales where they do not exist for classifications in comparable unionized hospitals in a given geography. The Employer and Union shall negotiate at least four (4) sessions per month for a four (4) month period. If no agreement is reached, the parties shall submit final proposals to a neutral FMCS mediator, Stephan Kessler, who will mediate the case within thirty (30) days of reaching impasse. The mediator shall work with the Employer and Union to reach an agreement within thirty (30) days. If no agreement is reached, the Employer and Union will submit their final proposals to a neutral mutually agreed upon arbitrator who will arbitrate the case within thirty (30) days of the end of mediation. The arbitrator will then decide the wage scales in dispute based on comparable unionized hospitals in the same geographic area. The arbitrator shall issue the decision within thirty (30) days of the arbitration. The Employer will implement the arbitrator's decision within thirty (30) days.

## D. Pay Day

- 1. All wages shall be paid on the basis of two-week periods.
- The Employers' payday is on a Friday (Thursday for St. Francis) and this shall continue as the designated payday.
- Direct deposit shall continue to be offered to all Employees and shall be deposited by no later than the designated payday and earlier if practicable.
- Employees shall have the option of picking up their paychecks at the Hospital, at times outlined above, at their request.
- When a holiday recognized by this Agreement falls on a payday, the Employers will provide the Employees' checks on the day before the payday.
- If the Employers use symbols on payroll checks, such symbols shall be explained to an Employee upon request. All records of paid time off accounts shall accurately reflect balances through the most recent pay period ending the date of the check.
- 7. Pay Check Errors

Pay check errors resulting in underpayments of greater than eight (8) hours pay to Employees shall be corrected immediately and a new check for the underpayment shall be issued to the Employee within twenty-four (24) hours of discovery of the error, excluding holidays and weekends.

## E. Job Description & Job Classification

In the event that the Employers establish a new classification within the

bargaining unit, in addition to those now in existence, the Employers and the Union will meet to negotiate with respect to rate of pay and job duties, prior to implementation. The parties will make a good faith effort to reach a settlement. If the parties are not able to reach agreement the Employers may implement and the Union may, within fifteen (15) days, submit the dispute to expedited arbitration for final and binding resolution. Any monetary remedy resulting in a higher rate of pay for an Employee shall be paid retroactively to the start of the job of the start date of each individual Employee in the new position.

- 2. The Employers shall maintain and review job descriptions for all classifications which will be remitted to the Union. It is recognized that changes of job titles and duties contained in this Agreement may be necessary. In the event the Employers intend to change job titles or job duties, they will send the Union a draft of the changes, with the changes indicated, in advance of implementation. Within fifteen (15) days, the Union may request and the Employers will meet to negotiate with respect to the proposed change. The parties will make a good faith effort to reach a settlement. If the parties are unable to reach an agreement the Employers may implement and the Union may within fifteen (15) days submit the dispute to expedited arbitration for final and binding resolution.
- 3. Upon request to the Human Resource Director, or designee, the Employers shall provide the Union or Employee with any existing job description and/or individual position description, for covered Employees, which have not previously been provided to the Union. These shall be mailed and made available to the requesting party within five (5) calendar days of any such request.

#### F. Uniforms

When Employees are required to wear uniforms of special types of work clothing while in the employ of the Employers, the cost of laundering and furnishing same shall be borne by the Employers; provided, however, that the Employers shall not be required to furnish apparel traditionally worn by such Employees in healthcare generally. The term "uniform" includes wearing apparel and accessories of distinctive design or color. Employees shall have meaningful input into all decisions regarding all aspects of uniforms or special types of work clothing.

## G. Training

- Training is strictly voluntary for non-lead Employees. Orientation is not considered training.
- Training is teaching in order to prepare a novice and/or new Employee with the required skill to meet the requirements of the position; or, to instruct so as to make proficient.

 An Employee other than those designated as "leads" who is assigned by management to train other Employees shall receive a differential of (\$1.00 per hour) over his or her base wage rate for time doing such training.

## H. Evaluations

The Employee shall be given a copy of any periodic written formal performance evaluation. Performance evaluations shall not be subject to the grievance procedure unless it contributes to disciplinary action.

## I. Relief in Higher Paid Classification

Any Employee directed to relieve another Employee in a higher paid classification will be paid at the rate of pay of the higher paid classification's pay grade, but at the rate commensurate with the Employee's level of experience for all hours worked in the higher classification.

## J. Premium Pay

## 1. Charge Pay



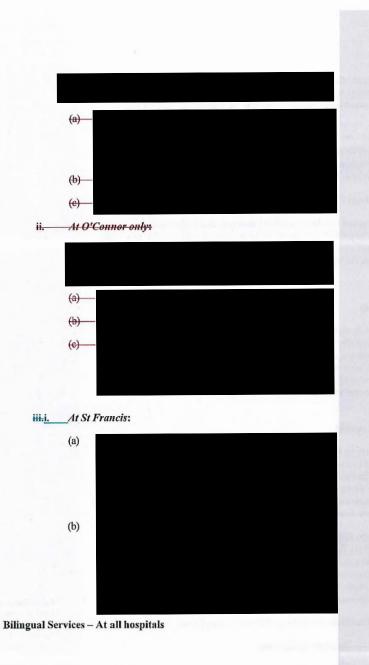
## 2. Shift Differential



c. Differentials for In Lieu of Benefits Employees

i. At Saint Louise only:

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An Employee shall not be required to provide translation and/or interpreting services for the Hospital. An Employee agreeing to provide such services shall do so only on a voluntary basis and shall be held harmless for any legal or other adverse action arising from an alleged misrepresentation or misinterpretation as a result of translating or interpreting activities.



# 4. Standby/On Call/Call Back

- An Employee is on On Call status when she/he is scheduled or asked to be available by phone or beeper for the purpose of coming back to the facility if required by staffing levels, and is required to report if called.
- An Employee is on Call Back when an Employee, who was on On-Call status, is called back to the facility if required by staffing levels.
- An Employee who has completed her/his regular work and has left the facility and is called back to work is on Call Back.



f. No Employee shall be required to report to work during a scheduled time off unless they are on on-call status and being paid the applicable On-Call premium, unless an internal or external disaster is called and the Employer's disaster plan is implemented.

- During the two (2)-hour call back guarantee, the Employee shall perform all identified procedures that are ordered.
- The intent of this provision is not to allow Employees to initiate unnecessary multiple guarantees.

#### 5. Report-in Pay

- a. An Employee who reports for work on a scheduled shift of eight (8) hours or more without receiving prior notice that no work is available shall be guaranteed pay for four (4) hours of work, and the Employee shall perform any work she or he is competent to perform and may be assigned in accordance with this Agreement.
- b. If an Employee is called to work on a day he/she is not regularly scheduled to work, he/she shall be guaranteed a minimum of two (2) hours work or pay in lieu thereof at the applicable rate of pay required by law, provided that such guarantee shall only apply if the Employee is called to work prior to the start of the Employee's next scheduled shift and shall not exceed the period between the Employee's reporting for work and next scheduled shift.
- c. If an Employee is called back to work on the same day after having already left the hospital at the conclusion of his/her shift, he/she shall be guaranteed a minimum of two (2) hours work or two (2) hours pay in lieu thereof for such second reporting in one day at the applicable rate of pay required by law and this Agreement.
- d. This section shall not apply if work is not available because (i) operations cannot commence or continue due to threats to Employees or property, or when recommended by civil authorities; (ii) public utilities fail to supply electricity, water or gas, or there is a failure in the public utilities or sewer system; or (iii) the interruption of work is caused by an Act of God or other cause not within the Employer's control.

#### 6. Split Shifts

No Employees shall be assigned to work a split shift, unless mutually agreed upon by the Union and the Employer.

#### 7. Meals

All Employees covered by this Agreement who are assigned to the Hospital's Food Service Department shall be entitled to free meals as follows: When they work fewer than four (4) hours in any one (1) day, one (1) meal; and when they work four (4) or more hours, two (2) meals.

All other Employees shall receive current cafeteria discounts.

## 8. Transfers to higher or lower job classification

- a. When an Employee transfers to a higher job classification, he or she will be placed on the wage grid at a pay rate commensurate with years of experience and competencies for the new position, provided it does not cause a reduction in pay.
- b. With the exception of layoffs, when an Employee transfers voluntarily to a lower job classification, he or she will be placed on the wage grid at a pay rate based on a credit of one half (½) of their years of employment with the Employer up to but not to exceed the mid-point on the wage grid.
- New hires will be placed in the wage grade based on the Employer's evaluation of their experience and qualifications.

## 9. Certification Pay - St. Francis only

a. b.

- c. Credentials/Certifications include:
  - i. Certification Gerontology
  - ii. CPHQ
  - iii. CCM Case Management
  - iv. RDCS

V.	RDMS
٧.	ICIDIVIO

- vi. National EKG
- vii. National CT
- viii. National MRI
- ix. National Mammography
- x. National CV (Cardiovascular)
- xi. National CI (Cardiac Invasive)
- xii. National VS (Vascular Sonography)
- xiii. National BS (Breast Sonography)
- xiv. RCIS Registry of Cardiovascular Invasive Society
- xv. National Surgical Tech Certification
- xvi. VI Vascular Interventional Radiographer
- d. For any additional credentials/certification not listed above, Employees are free to submit for payment for the same but the Employer and the Union must agree upon the credential/certification before any payment is made.

## ARTICLE 19: WORK WEEK

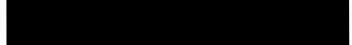
A. Hours of Work

Workweek

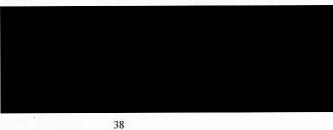


B. Overtime

1. Workweek



2. Daily



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5.	Premium Pay on Seven Consecutive Days	
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Earl	y Call-in	
1.	Day shift Employees who are called in and agree to begin work prior to	
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the commencement of their assigned shifts will receive night shift differential for all hours worked on the night shift. When the day shift begins, the day shift rate will apply.

2.

#### D. Alternative Workweeks

- The parties agree to maintain all existing alternative workweek schedules
  currently in effect unless two-thirds (2/3) of the affected Employees
  petition to terminate or modify such arrangement. The Employer will
  comply with applicable law regarding alternative workweek schedules. In
  cases of hardship, Employees may request, and shall be granted whenever
  possible, to continue their same shift in a unit or work area that converts to
  alternative scheduling.
- Any new alternative workweek schedules require that the Employers first
  meet and bargain with the Union to arrive at a mutually satisfactory
  schedule and other issues related to the implementation of the new
  schedules.

## E. Posting of Schedules

- Monthly schedules of starting and quitting times and days off will be
  posted no less than thirteen (13) days in advance of the schedule, subject
  to emergency situation changes. The Employer may change schedules
  prior to posting to meet patient care and related service demands.
  However, the Union may submit such changes for review under Article 30
  Committees.
- In the event the Employers need to change the schedule after it has been
  posted, any such change requires mutual consent by an in-person or direct
  telephone conversation initiated by the Employers, unless emergency
  conditions dictate otherwise.
  - a. The Employers shall use every reasonable effort to grant Employee schedule requests made at least two (2) weeks in advance of the effective date of the next work schedule. Late changes in the schedule requested by individual Employees may be possible with the approval of the Employee's Supervisor and will not be unreasonably denied if coverage is available.
  - b. The Employers shall permit Employees to trade shifts with other Employees where the Employee substituted has the requisite competencies and where the trade does not result in increased overtime costs for the Employer.

## F. Rest Periods

At no time can an Employee combine their meal and rest breaks for any reason. Employee who work in excess of five (5) hours but less than six (6) hours may voluntarily in writing waive the meal period. Employees are responsible for ensuring that they take their rest breaks at the appropriate time. If an Employee cannot take their break due to work reasons, they are to notify their supervisor or designee immediately.

## G. Rest Between Shifts

Each Regular Full-Time, Regular Part-Time, and Limited Part-Time Employee shall have an unbroken rest period of at least twelve (12) hours between shifts. Also, a Per Diem Employee will not be charged with a refusal for declining a shift that starts within twelve (12) hours of the end of the last shift worked. All hours worked within the above rest period shall be paid at normal rates of pay or at normal overtime rates if eligible under this provision as outlined above. The provisions of this paragraph may be waived on the written request of the individual Employee and with the agreement of the supervisor. Such requests for waivers shall be in writing and the individual Employee shall indicate the time period during which such waiver shall be in effect. Such requests for waivers shall be in writing and the individual Employee shall indicate the time period during which such waiver shall be in effect. This section of the Agreement will be discussed during the monthly joint labor management meetings if it is deemed necessary.

## H. Weekend Work

A weekend is defined as two (2) days, which are Saturday and Sunday for the day and evening shifts, and Friday and Saturday for the night shift. The Employer will grant each Regular Full-Time and Regular Part-Time Employee every other weekend off. This provision does not apply to employees who hold positions which normally include every weekend scheduling or to employees who elect to work weekend shifts. This section of the Agreement will be discussed during the monthly joint labor management meetings if it is deemed necessary.

## I. Shift Rotation

Current rotating shifts may be continued, except that any complaint with respect to such rotation may be submitted to the Joint Labor Management Committee.

## J. 12 Hour Shifts

- The Hospital shall provide the following when implementing twelve-(12) hour shifts:
- Shifts shall be twelve-(12) hours worked in twelve and one half (12½) hours.

- Rest Periods: Three (3) fifteen (15) minute paid rest breaks during a twelve-(12) hour shift.
- Meal Periods: There shall be one (1) uninterrupted unpaid meal period of thirty (30) minutes and one (1) additional paid meal period of thirty (30) minutes; however the second paid meal period may be waived.
- Compensation: Employees shall be paid their straight time hourly rate for all hours worked within the twelve (12) hour shift.
- 6. Shifts: Day Shift: 0700 -1930; Night Shift: 1900 0730
- Rest Between Shifts: Each Regular Full-Time, Regular Part-Time, and Limited Part-Time Employee shall have an unbroken rest period of at least eleven and one half (11½) hours between shifts. Also, a Per Diem Employee will not be charged with a refusal for declining a shift that starts within eleven and one half (11½) hours of the end of the last shift worked. All hours worked within the above rest period shall be paid at the rate of time and one-half (1½). Overtime for which premium pay is given shall count as rest periods for purposes of this paragraph. The provisions of this paragraph may be waived on the written request of the individual Employee and with the agreement of the Supervisor.

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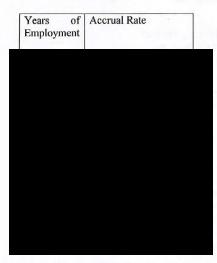
## ARTICLE 20: PAID TIME OFF

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E. Effective the pay period following after June 29, 2017, PTO accrual for employees shall be as follows and shall replace the Rate Per Hour and Rate Per Days.



No accrual rates for current employees will be reduced as a result of this agreement. The new accrual rate shall not be retroactive. The Maximum Annual Accrual Cap is eliminated.

F. G. H. I. J. K. Upon severance of employment or in the event of the Employee's death, the Employee or the Employee's beneficiary, as named by the Employee or determined by state law, shall be paid all accrued and unused PTO at the Employee's regular hourly rate. PTO shall not be used as a substitute for State Disability Insurance or Workers' Compensation benefits to which the Employee would otherwise be entitled. The Employer will integrate State Disability Insurance and Workers' Compensation with PTO to maximize the benefits that the Employee will receive. If the Employee is eligible for Workers Compensation Insurance payments, he/she may elect not to supplement the State Disability Insurance or Workers Compensation Temporary disability by utilizing PTO. If the Employee elects not to receive such integration of such disability benefit, he/she must inform the Employer in writing within the first seven (7) days of the absence. Employees electing this option will be placed on an unpaid medical leave status commencing with the date of disability. M.

Requests for PTO in excess of five (5) calendar days must be submitted at least three (3) weeks prior to the first requested PTO day off and must be approved in writing by the immediate Supervisor before the PTO is taken. At the discretion of the immediate supervisor, less than the required advance notice may be acceptable in order to schedule PTO.

- N. PTO time shall be scheduled in increments of not less than four (4) hours, except as necessary under FMLA, CFRA, CESLA, or the California Family School Partnership Act, or any other applicable state or federal law.
- O. The Employer shall have the right to cancel any approved PTO time upon at least forty-eight (48) hours advance notice if deemed reasonably necessary for staffing based solely on verifiable emergent patient care requirements. Employees not in a vacation status will be first utilized to maintain staffing regardless of seniority.
- P. Individual requests for PTO shall not be unreasonably denied for any reason, including the time of the year, and every effort will be made to provide PTO as requested. The Employer shall have the right to approve or disapprove PTO requests. No Employee will be required to return to work from a scheduled vacation or other scheduled PTO unless emergency conditions so require.
- Q. The number of Employees scheduled to be off work on PTO at any one time shall be determined by the Employer depending on staffing based on patient care requirements. Where two or more Employees concurrently request the same PTO dates or times, PTO shall be granted on the basis of seniority.
- R. Scheduling PTO as Vacation: Employee seniority shall be utilized for two (2) choices of vacation time off but only one (1) choice may include a Major Holiday (as defined below). If the Employer approves a vacation that encompasses time off during a holiday this approval supersedes the holiday rotation requirements.
- S. If an Employee voluntarily cancels a vacation request, the Employee must do so at least fourteen (14) days of the vacation. Under such circumstances, the vacation shift(s) will be granted to the next Employee who would have been eligible to have the vacation days off based on the formal PTO request process.
- T. Employees shall be solicited prior to February 15, of the year in order to determine preferences for vacation/ PTO. Prior to April 15, the Employer shall advise all employees as to when their vacation/ PTO is scheduled and shall post the full twelve (12) month vacation/ PTO schedule in an accessible location.
- U. Vacations/ PTO will, insofar as possible, be granted at times requested by employees (longer service employees being given preference as to choice based on department seniority). If employees have equal department seniority or classification, a higher continuous service date will prevail. For those employees choosing to split their vacation/ PTO into three (3) or more increments, seniority will apply only on the first (1st) and second (2nd) choice of vacation/ PTO increments in each anniversary year. All vacation/ PTO request forms shall allow

- the employee to indicate which requested vacation/ PTO period is his or her first (1<sup>st)</sup> choice, which is his or her second (2nd) choice, and which is third (3rd) choice.
- V. Vacation/ PTO requests may be submitted at any time of year. After the February 1 scheduling, requests will be considered on a first come, first serve basis. The Employer shall notify the employee of approval or denial of the request within two (2) weeks of the request being submitted.
- W. Unscheduled PTO: Unscheduled PTO for illnesses or other unanticipated personal emergencies will require two (2) hours advance notification to the Employee's immediate Supervisor prior to the start of the shift for Employees on the day shift, and three hours advance notification for other shifts.
- X. Notification is not required if the employee's own disability, or an emergency, makes it impossible to provide such notification. In such cases, the Employee will provide notice to the immediate Supervisor of the reason for such absence as soon as is reasonably possible.
- Y. Failure to give notification may result in formal discipline.
- Z. Donation of PTO. On approval of Human Resources, Employees may donate unused PTO hours to another Employee who has experienced an unforeseeable emergency as defined by the IRS. Employees must maintain a minimum PTO balance of forty (40) hours after the donation.
- AA. Hardship Distribution. Subject to the approval of the Employer, Employees may receive a distribution from their PTO account to provide for an unforeseeable emergency as defined by the IRS. Distribution must comply with the guidelines issued by the IRS in Code 457 2(h)(4) and (5).
- BB. PTO Cash-out
  - Employees may cash out PTO two times during the calendar year, consistent with Internal Revenue Service requirements and under the following guidelines:
    - The Employee's PTO account may not be reduced below eighty (80) hours after the cash-out.
    - The Employer will cash out during the first pay period of July and December any PTO elected by the Employee for cash out that has not been used.
  - 2. Employees may elect PTO cash-out per calendar year as follows:
    - Employees between their first (1st) and fourth (4th) year(s) of employment - forty (40) hours.

- Employees between their fifth (5th) and ninth (9th) year(s) of employment - eighty (80) hours.
- Employees with ten (10) or more years of employment one hundred twenty (120) hours.
- 3. PTO shall normally be paid on the regular pay check of the pay period in which the time off is taken. However, an Employee who is using at least five (5) PTO days may request an advance check for those days. The request must be received by the Payroll Department at least ten (10) days prior to the beginning of the PTO. The advance check is available in the Payroll Department on the day prior to the beginning of the time off.

## CC. Extended Sick Leave Accruals

# DD. ESL may be used under the following circumstances:

- Unable to work due to injury or illness for seven (7) consecutive calendar days; or
- 2. One the first day of hospitalization; or
- When placed in the status of "Observation Patient overnight stay-23 hour hold"; or
- Outpatient Surgery (including oral surgery) on the first day with physician verification or recovery period; or
- First day the employee receives Temporary Disability for a Worker's Compensation illness/injury; or
- 6. Relapse of a qualifying illness/injury.
- Employees on an approved Family Leave are required to use PTO and ESI.

## ARTICLE 21: LEAVES OF ABSENCE

An Employee who is on an approved Physical Disability Leave of Absence will have his/her group health plan coverage continued during the leave, while the Employee is on paid status (PTO/ESL), at the level and under the conditions coverage would have been provided if the Employee had not taken such leave. Beginning on the first (1st) day of the first full month during which an Employee is no longer on paid status (PTO/ESL), the Employee may elect to continue such group health plan coverage under COBRA by paying the cost of such coverage as provided under COBRA, subject to the terms, conditions and limitations of the federal COBRA statute.

## A. Medical Leave

- Employees who have completed ninety (90) days of employment shall be eligible for leave of absence for medical reasons. Such leave(s) shall not exceed one (1) year in a rolling twelve-(12) month period, unless extended only by mutual agreement between the Employee and the Employers.
- In order to be eligible for medical leave, the Employee must provide the
  Employers' Human Resources department with medical certification, in
  advance where practicable and foreseeable, such certification to include
  the probable duration and confirmation that the Employee is unable to
  perform his/her job duties due to the medical condition.
- 3. Benefits under this Agreement shall be maintained during paid portions of leave and/or during any portion of the leave that qualifies as FMLA or CFRA leave, as provided below. Beginning on the first (1<sup>st</sup>) day of the month following the exhaustion of paid time and/or the maximum FMLA/CFRA leave, the Employee may elect to continue benefit coverage under COBRA by paying the cost of such coverage as provided under COBRA.

## B. FMLA/CFRA

Employees continuously employed by the Employers for twelve (12) consecutive months and who have worked at least 1250 hours within the twelve (12) months preceding the commencement of the leave shall be eligible for Family Medical Leave in accordance with the provisions of the federal Family Medical Leave Act (FMLA) and the California Family Rights Act (CFRA). Such leaves shall be made available for:

- The birth of the Employee's child, or receipt of a child in foster care or adoption.
- The care of an Employee's immediate family member. For the purposes of this provision, members of the immediate family are defined as the Employee's spouse, parents, child, registered domestic partner or the child of a registered domestic partner.

- 3. A serious medical condition of the Employee.
- 4. Care for an injured service member. An eligible Employee who is the spouse, son, daughter, parent, next of kin or registered domestic partner of a covered U.S. Armed Forces service member who incurs an illness or injury in the line of duty. Such eligible Employees shall be entitled to a total of twenty-six (26) workweeks of leave during a twelve (12) month period to care for the service member. The leave described in this paragraph shall only be available during a single twelve (12) month period.
- Upon return to work following a qualifying FMLA/CFRA leave, the Employee shall be reinstated to the same position, classification, unit, and shift held by the Employee at the time of the commencement of the leave.

## C. Pregnancy Disability Leave

Employees disabled due to pregnancy or pregnancy-related conditions shall be eligible for a maximum of four (4) months unpaid leave of absence, in addition to CFRA leave, in accordance with the provisions of California Law.

#### D. Work-related Disability Leave

- The Employers shall grant a leave of absence to an Employee who is unable to work due to a work-related injury. During the leave, all health and welfare benefits shall continue for up to one (1) year or to the date that the Employee is deemed to be Permanent and Stationary, whichever occurs earlier.
- 2. The Employers shall make every reasonable effort to assist the Employee and return him/her to work after a work-related injury, including an offer of modified (light) duty for at least ninety (90) days, return to the Employee's former position upon release for work, or retraining to an available position with the Employers, if the Employee is no longer able to perform the work of his/her former position.
- An Employee returning from work-related disability leave shall be entitled
  to reinstatement to the same position, classification, unit, and shift as held
  by the Employee at the commencement of the leave.
- 4. An Employee who, because of a work-related injury, is medically-determined to be permanently disabled and unable to return to his/her former position shall be entitled to any vacant position for which he/she is then qualified. If all other options have been exhausted and an Employee is medically-determined to be permanently disabled and is unable to return to his/her former position even with reasonable accommodations under the Americans With Disabilities Act (ADA) or to any vacant position for which he/she may be qualified, such Employee may be replaced.

## E. Voluntary Leaves for Disaster Services

#### 1. Policy Statement

When a significant disaster occurs, the Employers are committed to providing voluntary assistance to governmental agencies and non-profit agencies that may request our services. Response to all such requests must be approved in advance by the Employers' Chief Executive Officer or designee. Voluntary leave for disaster service by Employees will only be approved if such leave does not unduly impact the Employers' operations, including health care delivery to patients. Denial of such leave shall not be subject to the grievance and arbitration provisions of the Agreement.

## 2. Definition of "Disaster" and "Designated Agency"

A "disaster" is defined as an event officially declared as such by federal, state or local government or an agency designated by the IRS as a Section 501(c)(3) not for-profit, charitable organization (e.g. American Red Cross) or a designated agency.

## 3. Employers-Initiated Requests for Voluntary Disaster Service

In cases where the Employers request voluntary disaster service of their Employees in response to requests in times of crisis from federal, state or local governmental entities or designated agencies as defined above, the following will apply:

## a. Eligibility

Any Employee will be considered eligible unless such Employee has a documented record of current unsatisfactory job performance.

## b. Procedures

Written agreement for leave for voluntary disaster service for up to thirty (30) calendar days in a calendar year may be obtained from the Employee's manager provided that the number of Employees absent for voluntary disaster service does not unduly impact the Employers' operations. Extension of voluntary service greater than thirty (30) calendar days in a calendar year must be approved by the appropriate vice president or his or her designee. In the case where the number of represented Employees responding to an Employers-initiated call for volunteers exceeds demand, selection shall be made in accordance with contract seniority, provided all other provisions of this policy are met.

## c. Compensation and Benefits

Employees continue to accrue seniority and service credit and be eligible for benefits, subject to existing group insurance provisions, during the time of the approved leave, at the expense of the Employers.

In order to receive compensation under this policy, the Employee shall submit documentation of the hours of volunteer service for each day of volunteer duty.

## d. Travel Expenses

Employees who volunteer for duty in response to an Employersinitiated request shall be covered by the provisions of the Employers' National Travel Policy.

#### 4. Employee-Initiated Requests for Volunteer Disaster Service.

When Employees, on their own, wish to volunteer to assist during a disaster, the following will apply:

## a. Eligibility

Any Employee will be considered eligible unless such Employee has a documented record of current unsatisfactory job performance.

# b. Procedures

Written application for leave for voluntary disaster service for up to thirty (30) calendar days in a calendar year may be approved by the Employee's manager. Requests for voluntary service greater than thirty (30) calendar days in a calendar year must be approved by the appropriate vice president or his or her designee.

The Employers will grant time off for short-term leaves of up to thirty (30) calendar days in a calendar year to eligible Employees for official volunteer duty as long as the Employers receive reasonable notice, provided that the number of Employees absent for voluntary disaster service does not unduly impact the

Employers' operations. In the case where represented Employee's request for voluntary leave for disaster service exceed demand, selection shall be made in accordance with contract seniority, provided all other provisions of this policy are met.

#### c. Compensation and Benefits

An Employee who requests and receives approval for leaves for voluntary disaster service on his or her own initiative, apart from any request to the Employers from a governmental entity or designated agency, will be on unpaid leave during the period of volunteer service, unless the Employee elects to use accrued paid time off other than sick leave.

While on Employee-initiated unpaid voluntary disaster service, Employees continue to accrue seniority and service credit and be eligible for benefits, subject to existing group insurance provisions, during the time of the approved leave, at the expense of the Employers, provided such leave is for a period of thirty (30) calendar days or less. After voluntary disaster leaves of thirty (30) calendar days or less, the Employee will be reinstated into their regular position.

#### F. Union Leave

One (1) Employee at a time who becomes a paid staff member of the Union shall be granted an unpaid leave of absence of up to one (1) year for Union business, patient care permitting. Upon completion of the leave of absence, the Employee(s) will be returned to his/her former job, if available, or to a comparable position in the same classification, shift, and work hours.

Upon written notice from the Union to the Employers' Director of Human Resources, such notice to be given, if at all, not less than two (2) weeks prior to the posting of the monthly work schedule which includes the desired time off, one (1) Employee at any given time will be granted an unpaid leave of up to two (2) weeks from work for the purposes of engaging in Union business, including but not limited to Union Conventions, meetings, conferences, and other activities, patient care permitting. The Employee shall not suffer any loss of seniority or other benefits as a result of such leave.

## G. Military Leave

Military leave of absence shall be granted to eligible Employees who are absent from employment in order to perform duty, on either a voluntary or involuntary basis, in the uniformed services of the United States. Eligibility for military leave, and all other rights and obligations in connection with such leave, shall be in accordance with, and fully governed by, the Uniformed Service Employment and Reemployment Rights Act of 1994 (USERRA).

An Employee who is the spouse or registered domestic partner of a service member of the U.S. Armed Forces deployed in a combat zone during a period of military conflict may take up to ten (10) days of unpaid leave. To be eligible for such a leave, an Employee must be regularly scheduled to work twenty (20) or more hours a week, and must submit documentation to the Employer of his/her intention to take such a leave within two (2) business days of receiving notice that the service member will be on leave from deployment.

#### H. Other Leaves of Absence

Leaves of absence for reasons other than those specified herein above shall be granted only by agreement between the Employee and the Employers and if a real and compelling reason for time off exists. A leave of absence shall not be unreasonably denied, although it is understood that recurring requests may be denied since such requests cause a burden on the process of scheduling, staffing and quality patient care.

## I. Optional Unpaid Leave

Employees have the option of using forty (40) hours per year of unpaid leave in addition to PTO. This is in addition to the option to use unpaid leave for Holidays. The Employee must use the same notice requirements for unpaid leave as used for PTO, except when being used when the Employer flexes the Employee, in which case the Employee may choose to take unpaid leave without notice.

## J. Return to Duty

Unless otherwise specified above, when an Employee returns from leave of absence not exceeding thirty (30) days in compliance with the approved terms of the leave, such an Employee shall be assigned to the same classification, position, unit and shift he/she held before the leave. Unless otherwise specified above, if the leave is in excess of thirty (30) days and the Employee returns in compliance with the approved terms of the leave, the Employers will use their best efforts, and will not unreasonably deny return of the Employee to the same classification, position, unit, and shift as occupied at the start of the leave. If conditions have changed so that this is not possible, the Employee shall be reinstated in a position, unit and shift as nearly comparable as is possible under the circumstances.

## K. Notice to Replacements

A person hired or assigned as a replacement for an Employee on a leave of absence shall be so advised by the Employers.

# L. Non-forfeiture of Accrued Rights

By reason of such leave of absence, the Employee shall not lose any accrued rights under this Agreement but likewise he/she shall not accrue rights under this Agreement, unless otherwise provided for above.

# M. Failure to Return from Leave

Any Employee who does not return to work on the due date may be disciplined, and an Employee who does not return to work within three (3) days of the due date will be terminated as of that date, unless an extension of the leave of absence has been requested in writing by the Employee and granted in writing by the Employer, prior to the return due date. If the Employer denies an extension, the Employee must return to work as of the original date authorized, unless the Employer acted unreasonably in denying such request. In the event of emergent circumstances, where the Employee could not return to work (i.e. auto accident, emergency hospitalization) and the Employee requested an extension in timely fashion, an extension of the leave may be granted and not unreasonably denied.

# N. Concurrent Leaves

Except as otherwise required by law, if a condition or reason for leave entitles an Employee to more than one type of leave under this Article, such leaves shall run concurrently.

# ARTICLE 22: WITNESS PAY

# **ARTICLE 23: BEREAVEMENT**

# A. Definition of Family

Except as set forth herein, "immediate family" for purposes of this section means spouse, children, sister, brother, parents, legal guardians, current parents-in-law, grandparents, grandchildren, registered domestic partner (their parents and children), step relative (parent, child, sibling), and foster children.

# B. Paid Time Off

When a member of the Employee's immediate family dies, the employer will grant the Employee bereavement leave with full pay up to forty (40) hours for Full-Time and Part-Time Employees, provided the Employee takes such leave within a reasonable time thereafter, not to exceed thirty (30) days (unless circumstances warrant longer on which case an extension will be granted by mutual consent). No Employee shall be charged with any absence which may

result in discipline under the employer attendance policy for attending the funeral of a member of the Employee's immediate family. In addition, if more time is needed the Employee may request PTO or unpaid time to plan, travel, make arrangements or other funeral related activities. Such request will not be unreasonably denied.

# C. Additional Leave Without Pay

In case of death of an immediate family member as defined above, the Employee shall be entitled to an additional leave of absence of two (2) days without pay at the Employee's request. The Employee and the Employer may agree to extend the period of bereavement leave. For any such agreed extension the Employee may use PTO or take an unpaid leave at the employer's discretion. The Employer will not unreasonably deny such requests.

## **ARTICLE 24: HOLIDAYS**

A. The Employer will recognize the following holidays:

- 1. New Year's Day
- 2. Martin Luther King Jr. Day
- 3. President's Day
- 4. Memorial Day
- 5. Independence Day
- 6. Labor Day
- Thanksgiving Day
- 8. Christmas Day

Holidays listed will be observed on the dates provided by federal legislation.

In addition, Employees may request and will be granted one (1) holiday of their choice per year, other than the holidays listed above, as PTO, provided the Employer is able to schedule such absence without adversely affecting patient care.

Pay for Holidays Worked: If an Employee in any status works a recognized holiday, the Employee shall receive pay at one and one-half (1½) times the Employee's straight time rate of pay for all hours worked on such holiday provided the Employee has worked the scheduled shifts of work immediately before and after the holiday. Only one shift at such premium rate will be paid for each observed holiday, except that customary overtime provisions may apply to hours worked in excess of scheduled shifts or over forty (40) hours in a week. In the event an Employee is precluded from working his/her regularly scheduled shift, including on a holiday, due to a closure of his/her department, they will not be required to take PTO. If additional days off are provided as a result of closure of their department, PTO usage shall be at the discretion of the Employee.

- Employees assigned to the night shift will be required to work the majority
  of the shift on a holiday in order to receive the holiday worked premium.
- Employees working a twelve (12) hour shift will receive holiday pay for the shift they work with the majority of the hours falling during the observed holiday.

The Employer may schedule Employees to work on holidays according to required patient care needs. All Employees will normally be guaranteed at least two (2) minor holidays off duty on an equitable basis from amongst the holidays of Martin Luther King Jr. Birthday, Memorial Day, Independence Day and Labor Day unless the Employee wishes to work a greater number of holidays. Each Employee will normally receive at least two (2) Major Holidays off between and including Thanksgiving and New Year's Day, and Christmas.

If an Employee voluntarily cancels a holiday request, the Employee must do so at least fourteen (14) days prior to the holiday. Under such circumstances the holiday slot will be granted to the next Employee on the holiday list.

#### ARTICLE 25: HEALTH INSURANCE

# A. General Provisions

2. LDA Coverage (other than Registered Domestic Partner who will remain eligible for the medical, dental and vision plans), for currently identified Legally Domiciled Adults ("Grandfathered LDAs"), shall continue to be eligible for dependent medical, dental and vision coverage provided they are qualified tax dependents and reside at the same resident address on the Employee's Federal Income Tax, and can provide periodic proof of their tax dependent qualification. LDAs who reach age 65 will be terminated from coverage as of the last day of the month in which he/she turns age 65. The LDA coverage option has ceased (except for Registered Domestic Partners).

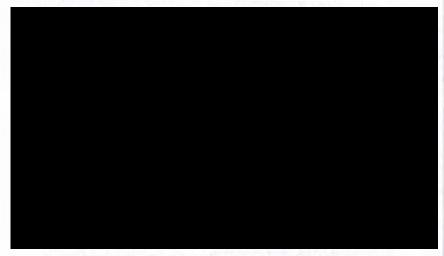
3.



#### D. Medical Benefits

The Employers have provided and will continue to provide a fully Employer paid health plan for all current Regular benefit eligible employees and their qualified dependents. This health plan or plans will be provided as stated herein.

Effective upon ratification the Employers will continue to offer the same fully Employer paid Blue Shield HMO plan in effect on June 1, 2017 on the same terms and conditions as this plan is currently provided, and with benefit levels that meet or exceed that of the current plan. The Employers will continue to offer this plan through <u>December 31, 2017</u>.



Outpatient surgery performed at a free-standing ambulatory surgery center;

Outpatient surgery performed in a hospital or affiliated ambulatory surgery center;

Outpatient services for treatment of illness or injury and necessary supplies;

Radiological and nuclear imaging (CT scans, MRI's, PET scans);

Inpatient physician services; and

# Inpatient non-emergency facility services.

However, should Verity or a Verity Preferred Partner provide additional services not included in the list above, those services will be added to the list and will be subject to the 20% co-insurance applicable to Verity EPO Tier 2. Should Verity or a Verity Preferred Partner provide additional services not included in the list above, these additional services to the Verity EPO Tier 1 and corresponding Verity Tier Medical Benefits will be communicated/implemented on an annual basis.

The Claims Administrator will apply the Tier 1 charges when the employee; (i) receives services by a Verity Health Provider; (ii) receives services by a BlueShield PPO Network provider because the service was not available at the employee's designated Verity Health Facility; or (iii) employee or the employee's dependent does not live within the thirty-five (35) mile radius of a Verity Health Facility.

Verity will honor employees' and qualified dependents' coordination of benefits.

The Verity EPO Tier 1 and Tier 2 plans, which will replace the BlueShield HMO, must have qualities that meet or exceed the qualities of the BlueShield HMO that it is replacing. Such qualities must include, but are not limited to, <u>choice of doctors on the BlueShield PPO.</u>

Network and services, and as otherwise stated herein. The radius for the Verity EPO Verity Tier 1 services will be thirty-five (35) miles measured from employees' residential zip code to the Verity facility zip code, and with a "Special Transportation Exception." Every year, the Employers will provide a list of zip codes which reflect which employees (and their covered dependents) fall within the thirty-five (35) mile radius.

If there is no Verity facility within the thirty-five (35) mile radius or the Special Transportation Exception applies, the employee may go to any facility within the BlueShield PPO Network. The Special Transportation Exception means that no employee and/or any qualified dependent seeking services or treatment will be required to travel to another geographic location that under normal, non-circuitous driving circumstances, would require travel across a bridge (for example, without limitation, from Oakland to San Francisco, or from San Rafael to Richmond). Every year, a list of zip codes which reflect the areas that qualify for the Special Transportation Exception shall be released at open enrollment.

If there is no Verity facility within thirty-five (35) miles of where the employee or the employee's qualified dependent resides, or the needed service or treatment is not available at a Verity facility, including those with the Special Transportation Exception, the employee or the employee's qualified dependent may go to any facility within the BlueShield PPO network, at the same cost structure as the Verity EPO Tier 1.

As of January 1, 2017, the "Wellness Assessment" required of certain employees and their qualified dependents will no longer be required.

It is the intent of the Employers to provide a health plan that will ensure the privacy of employees under the plans. If any employee has a privacy concern related to a service and/or procedure that would be performed by the employee's own department at a Verity facility or a concern about continuity or disruption of care or if the employee's physician does not have admitting privileges at Verity facility, the Employers' Benefits Services Manager will not unreasonably deny any request to receive such services and/or procedures at an alternative facility in the Verity/Blue Shield PPO network. Such request must be made directly to the Benefits Services Manager at least five (5) business days prior to the procedure.

## E. Dental Plans

The Employers will provide a Delta Dental Basic Plan, or its equivalent, fully paid by the Employer for the employee and his/her dependents (including spouse, registered domestic partner and children). The Employers will maintain the PPO Dental plan, if any, on the same terms as currently provided to employees.

## F. Vision Plan

The Employers will provide the Vision Service Plan (VSP), or its equivalent, fully paid by the Employers for the employee and his/her dependents (including spouse, registered domestic partner and children).

The Employers will offer a voluntary VSP Premier Buy-up option. Any employee electing this Buy-up option will pay the difference between the Buy-up and the standard VSP option.

# G. Voluntary Short Term Disability Plan

The Employers will offer a voluntary Short Term Disability Plan option on an employee paid basis.

# H. Voluntary Long Term Care Plan

The Employers will offer a voluntary Long Term Care Plan option on an employee paid

#### ARTICLE 26: GROUP INSURANCE

A.

1. Base pay is defined as the Employee's hourly base rate times his or her

regularly scheduled hours per pay period times the number of pay periods per year.

- 2. The coverage will be effective on the first day of the month following completion of thirty (30) calendar days of continuous employment as a Regular Full-Time or Regular Part-Time Employee. However, when a Temporary Employee is reclassified to Regular Full-Time or Regular Part-Time status, coverage will be effective the first day of the month following such reclassification.
- The Employers will pay the full cost of premiums for group life insurance for each eligible Employee who qualifies for non-smoker rates.
   Employees who do not qualify for non-smoker rates will be required to pay the additional cost, if any, of premiums above the non-smoker rates.
- Employees may also continue to purchase additional life insurance as well as dependent life for spouse and child(ren) at group rates.

B.

# ARTICLE 27: PHYSICAL EXAMINATIONS

All physical examinations required of Employees in connection with their employment, according to the practice of the Employers, shall be given without charge, and all costs incident to those examinations shall be borne by the Employers. Notwithstanding the foregoing, nothing in this Article shall be construed to obligate the Employers to pay for any treatment which may be required as a result of any disease or condition disclosed during such physical examinations. Such examinations shall be without loss of pay, and shall include all laboratory, diagnostic and other clinical tests required by Title XXII or the Department of Health Services and/or the county in which the hospital operates and examinations and review of the Employee's medical history by a physician or nurse practitioner. Any disclosures to the Employers by the physician or nurse practitioner concerning the results of such physical examination shall be limited to certification that the Employee is physically able to perform the essential functions of his or her job.

## ARTICLE 28: RETIREMENT

- A. Until the effective date of the transactions contemplated by the System Restructuring and Support Agreement by and among Daughters of Charity Health System ("DCHS") and other parties thereto, dated as of July 17, 2015 (the "Effective Date"), the existing retirement plans shall continue as provided for by the predecessor collective bargaining agreement (the "CBA").
- B. As of and following the Effective Date, during the term of this CBA, Verity Health System, Inc. (formerly known as DCHS) will operate the Verity Health System Retirement Plan (formerly known as the Daughters of Charity Health

System Retirement Plan) (the "Plan") as a retirement plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA") as well as the Internal Revenue Code ("Code"). As of and following the Effective Date, during the term of this CBA, Verity Health System will take all necessary steps to comply with all laws and regulations applicable to the Plan, including but not limited to (1) administering and funding such Plan in accordance with ERISA, (2) making application to the Pension Benefit Guaranty Corporation ("PBGC") under the PBGC insurance program, and (3) making all contributions necessary to satisfy the funding and PBGC premium requirements of ERISA and the Code.

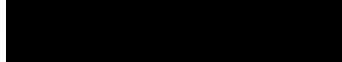
- C. Thereafter, during the term of this CBA, Verity Health System will continue to maintain and operate the Plan and/or any successor plan in compliance with applicable laws and regulations. In the event that Verity Health System decides, in the best interests of the System, to merge the Plan into the existing multiemployer pension plan, the Retirement Plan for Hospital Employees ("RPHE"), the Union will support the merger of the Plan into the RPHE, provided that such merger is effectuated in accordance with all applicable laws and regulations.
- D. As of and following the Effective Date, Verity Health System will, during the term of this CBA, continue to be a participating employer in the Retirement Plan for Hospital Employees ("RPHE") on the same terms and conditions applicable to DCHS prior to the Effective Date.
- Also as of and following the Effective Date, during the term of this CBA, Verity Health System will operate the Verity Health System Supplemental Retirement Plan (401(a)) (formerly known as the Daughters of Charity Health System Supplemental Retirement Plan (401(a))), the Verity Health System Retirement Plan Account (formerly known as the Daughters of Charity Health System Retirement Plan Account) and any other applicable defined contribution plan (the "Defined Contribution Plans") and the Employer-Sponsored 403(b) Plan in accordance with Title I of ERISA and any applicable provisions of the Code, and shall continue to operate the Defined Contribution Plans and the Employer-Sponsored 403(b) Plan in compliance with all other applicable laws and regulations. Thereafter, during the term of this CBA, Verity Health System will continue to maintain the Defined Contribution Plans and the Employer-Sponsored 403(b) Plan as provided for by the predecessor CBA (to the extent such provisions in the predecessor CBA do not conflict with the provisions herein), including but not limited to making at least the same levels of employer contributions provided for by that CBA.
- F. Pension [THE EXISTING PLAN WILL BE CONTINUED FOR ALL EMPLOYEES ON THE SAME TERMS].
  - At St. Vincent Only: St. Vincent Employees will continue in their current Retirement Plan which became effective March 1, 2011.

# 2. At Saint Louise, O'Connor and St. Francis:

a.
b.
c.

# 3. At All Facilities:

Employees hired after the RPA Effective Date under this Agreement, shall receive the following contributions pursuant to the following schedule:



- 4. For the Daughters of Charity Retirement Plan Only:
  - a. The Employer will adopt a revised funding policy for the DCHS Retirement plan, based on a ten (10) year amortization schedule. The initial unfunded liability determined as of the January 1, 2012, actuarial valuation will be amortized over a ten (10) year fixed period. Annual changes in unfunded liability due to such factors as market changes, demographic experience or changes in assumptions will be amortized over a seven (7) year period following the valuation year in which they are recognized.
  - b. The Employer agrees to maintain this funding policy through the

life of the Agreement once adopted. The Employer shall meet the obligations of the funding policy by contributing funds required by said policy in the year in which they come due. In the case an event or actuarial change occurs, such as a failure to meet investment assumptions in effect at the time of execution of this agreement, the Employer shall notify the Union and meet and confer over a contribution schedule that meets the contribution obligations as promptly as reasonably possible.

- On an annual basis, the Employer shall, within ninety (90) days of receiving a written request, provide the Union with the annual DCHS Retirement Plan valuation.
- Beginning on January 1, 2013, and annually thereafter, the Employer shall provide each bargaining unit participant an Annual Funding Notice for the DCHS Retirement Plan.
- e. If the Daughters of Charity Health System adopts a Defined Contribution retirement plan that is different from that which is adopted pursuant to this Article, such new Defined Contribution retirement plan will also be offered to bargaining unit members.

# 5. 403(b) Plan



## ARTICLE 29: CAREER OPPORTUNITIES AND TUITION ASSISTANCE

- A. The Employers agree to support opportunities for Employees to attend educational activities in the health care field which are consistent with the goals, objectives and action plans of the Employers.
- B. The Employers will provide the following educational opportunities:
  - Tuition Assistance: The Employers will support continuing education and training of Employees who participate in educational courses in the health care field including certifications, licensures and other training programs. Employees must apply for and receive written approval from the Employee's department manager prior to commencement of the course, in order to be eligible for reimbursement, as provided below:

 Eligibility: All Regular Full-Time and Regular Part-Time Employees who have completed the probationary period and who maintain their status while taking such courses are eligible for Tuition Assistance.

b.

c. Reimbursement will be provided upon successful completion of the course, provided that the Employee submits proof of satisfactory completion to the Employee's department manager along with the request for reimbursement.

#### ARTICLE 30: COMMITTEES

## Team Care, Collaborative Problem Solving and Leadership

A goal of this Agreement is to foster shared success through developing and empowering models of team-based care. Each hospital will develop organization plans to support team based care.

## Joint Labor-Management Committees

## A. Composition and Purpose

- The Parties will work together to develop joint committee(s) between management and Caregivers to address, discuss, and improve upon the operational functioning of the hospitals. The concept of joint committee(s) shall include opportunities for Caregivers to participate in leadership roles in workplace matters and improve the quality of care.
- 2. There shall be a Joint Labor Management Committee of no more than six (6) representatives appointed by the Employer and six (6) representatives appointed by the Union. In addition, one (1) Union field representative and one (1) representative of the Employer's Human Resources Department shall also be part of the JLMC and may attend all meetings of the JLMC. The parties shall advise each other in writing of appointments to the Committee. On written notice to the other, the Employees and Employer Administration may change their representatives on the Committee from time to time. The Joint Labor-Management Committee will be formed for the purpose of reviewing, discussing and resolving issues of mutual concern to the parties in order to improve performance, to achieve the objectives of the organization, and to improve the work lives of Employees.
- The Joint Labor-Management Committee may develop procedures to address the following:

- Identifying current and anticipated vacancies. In this review, the parties will consider whether and how to combine available hours to maximize Full-Time employment;
- b. Projecting changes in the delivery of healthcare at each Hospital;
- c. Identifying retraining opportunities for Employees at the Hospital;
- Identifying creative retention programs such as one that contemplates the identification of transferable skills of Employees to work in classifications other than their own to avoid daily cancellations;
- Identifying cross-training opportunities to minimize involuntary daily cancellations;
- Identify systems to support effective reassignment processes such as float pools, cross-training programs, Employee lists by competencies;
- g. Identifying new and creative recruitment sources;
- Other opportunities to enhance recruitment, retention and retraining;
- Impact on the workforce as a result of business changes that would result in closures, consolidations or shared entities;
- Monitoring the quality of patient services and making recommendations to improve patient services in the context of work design, if applicable, or in the current method or system of patient services delivery.
- 4. In addition, the Joint Labor Management Committee may also consider the following subjects, which include but are not limited to: appropriate education and training programs, child care issues, cultural diversity in the workplace, methods for improving scheduling and resolution of scheduling problems, and other issues the Committee deems appropriate.
- 5. This committee may recommend wellness programs at each facility that will (a) expand the participation of Employees and dependents in current health and wellness initiatives, (b) develop new health and wellness initiatives, (c) develop positive means of encouraging greater levels of participation in health, wellness and safety initiatives such as annual vaccinations, and (d) explore potential plan re-design options that could result in more effective and efficient utilization of the health plan by Employees and their dependents.

## B. Compensation

If an Employee committee member is regularly scheduled to work during the time in which the committee meeting is held, the Employee representatives on the Committee shall be compensated at straight-time pay for attendance at Committee meetings up to a maximum of four (4) hours per Employee per month. Attendance at committee meetings will not be considered "time worked" for the purposes of overtime calculation.

## C. Frequency of Meetings

Meetings of the Committee shall be no longer than four (4) hours and shall be held once every month except by mutual agreement.

#### D. Dispute Resolution

The Union and the Employer acknowledge that unless mutually agreed, neither shall use this committee for the purposes of collective bargaining. Disputes within the Joint Labor Management Committee shall not be subject to Article 31, Grievance and Arbitration provisions of this Agreement. However, this Paragraph shall not prevent an Employee, the Union, or the Employer from subsequently pursuing an otherwise grievable issue through Article 31, Grievance and Arbitration.

# E. Health and Safety Issues

#### 1. Compliance

The Employer will continue to comply with applicable federal and California laws and regulations pertaining to occupational safety and health, including its obligation, under the general duty clause, to provide a safe environment for Employees.

# 2. Reporting Health Hazards by Employee

It is the duty of each Employee to comply with all health and safety regulations of the Employer, and if any safety or health hazard is detected by an Employee, the Employee shall promptly report it to the Employer. An Employee's failure to comply with such health and safety regulations, or to promptly report a detected health or safety hazard, may result in disciplinary action.

# 3. Union Notification

The Union shall promptly notify the Employer of any potential health and safety hazards, violations or problems of which it is aware.

# 4. Remedying Health/Safety Problems

The Employer shall have a reasonable period of time to remedy any problems or situations brought to its attention by Employees or the Union. If in the judgment of the Employee or the Union, the Employer shall thereafter fail to remedy the situation, the Employee or the Union shall be free to contact Cal-OSHA, or other state or federal authorities, for appropriate action. No adverse action shall be taken against any Employee for reporting health and safety concerns to the Employer, to the Union, or to federal or state authorities. Disputes under this Article shall not be subject to Article 31, Grievance and Arbitration procedure of this Agreement, and shall continue to be subject to the applicable administrative procedures established by federal and/or California law. However, the issue of whether the Employer has met its obligation to meet with the Union under this section shall be arbitrable.

 The Union shall address Health and Safety Issues through the Joint Labor-Management Committee.

#### 6. In-Service

The Employer shall continue to provide in-service or other training and information to Employees concerning health and safety.

#### 7. Hepatitis B Vaccine

Hepatitis B vaccine shall be made available free of charge and at a covered Employee's request, if the Employee's normal functions include exposure to blood, blood products, bodily fluids, or needlesticks or cuts by other sharps that may have patient blood, blood products, or bodily fluids on them. Such vaccine also will be provided to other Employees, at their request if their normal functions do not include such exposure but the Employee has an on-the-job needlestick or cut, as described.

## F. Patient Care Committee

# 1. Quality Patient Care

The Employers and the Union agree that quality patient care and an appropriate working environment require adequate staffing and that staffing levels within all departments vary with census, acuity, shift, the specialization of various areas, changes in the specialization of the units, structural changes in delivery of patient services and qualitative changes in average acuity. Each of the Employers will establish a committee comprised of six (6) bargaining unit Employees selected by the Union and six (6) representatives of the Employer selected by the Employer. In addition to the six (6) from each side, both the Union representatives and the Human Resource representatives may participate in Patient Care Committee meetings. The parties may mutually agree to expand the number of representatives to this committee as the need may arise.

# 2. Purpose

Monitoring the quality of patient services and making recommendations to improve patient services in the context of work design, if applicable, or in the current method or system of patient services delivery.

#### 3. Meetings

The Employers will allow four (4) hours every month of paid time for each Employee member of the committee to attend meetings

## G. Resolution of Staffing Issues

## 1. Review Committee

If the Joint Labor Management Committee cannot reach agreement on a recommendation, the issue may be referred to a Review Committee of four (4) for consideration and recommendation. Two (2) representatives shall be selected by SEIU and two (2) by the Employer. A majority of the Review Committee may invite resource persons to attend and participate in such Review Committee meetings. Such resource persons may review all relevant information before the Committee pertaining to the subject matter under consideration and offer advice to resolve differences between the parties. The Review Committee may adopt recommendations by a majority vote of all four (4) members of the Committee.

#### 2. Recommendation Implementation Process

Recommendations, both those approved by the Joint Labor Management Committee and through the Review Committee, will be forwarded to the appropriate Administrative Director of the Hospital for implementation. Thirty (30) calendar days after receipt of a recommendation the appropriate Administrative Director will send the Joint Labor Management Committee a written summary of progress and may at the Joint Labor Management Committee co-chair's request attend the next Joint Labor Management Committee meeting to report on progress.

# 3. Resolution of Staffing Issues

In the event the Review committee is unable to reach agreement on a recommendation concerning a staffing issue, a mutually agreed upon third-party neutral may be brought to join the Review Committee. In the event the Review Committee remains unable to resolve the staffing issue, the third-party neutral shall decide the final resolution which will be implemented. In reaching resolution, the third-party neutral must take into account area standards regarding staffing, state and federal laws, physician recommendations regarding quality of care, business needs and any other relevant information presented by the parties. In making a final decision

on the issue presented by the Review Committee, based upon the information presented by the parties, the neutral third-party will be acting as a labor Arbitrator, and the decision will be treated as a final and binding by the parties. Either the Union or the Hospital may seek to vacate the decision pursuant to applicable state and federal law.

Unless the parties agree otherwise, the third party neutral shall be selected by alternative striking (first strike determined by lot) from one (1) of the following seven (7) persons:

> Matthew Goldberg Robert Hirsch Barry Winograd Andrea Knapp Richard Kagen John Kagel Frank Silver

# 4. Impact on Other Units

Both parties agree that it is not their intent to make recommendations or resolutions that adversely impact any other bargaining unit.

Additionally, if the Employer grants any other Union similar rights to resolve staffing disputes, it will make every effort to include in such contract a provision that it is not the intent of the parties to make recommendations or resolutions that adversely impact any other bargaining unit including the Union.

# ARTICLE 31: GRIEVANCE AND ARBITRATION

- A. Definitions. In this Article the following definitions apply:
  - Definition of Grievance. Grievance means a dispute raised by an Employee, the Union or the Employers concerning the interpretation or application of any provision in this Agreement. Unless otherwise provided in this Agreement, a violation of this Agreement is subject to this Grievance and Arbitration procedure set forth below.
  - 2. Definition of Days. Days means calendar days. In this Article, whenever a period of time is specified, the day of the event or action which commences the period shall not be included calculating the length of the period. If the last day for responding and acting is a Saturday, Sunday or contract holiday, the period shall be extended to the next day which is not a Saturday, Sunday or contract holiday.
  - 3. Limitation on Precedents. Settlements reached with Shop Stewards in

Step 1 of the grievance procedure shall not establish a precedent or a practice for future cases unless by specific written agreement signed by a Field Representative and by the Employers.

- B. Informal Resolution or the Initiating of a Grievance. The Employers and the Union recognize that the goal of this grievance and arbitration procedure is to attempt to resolve the grievance at the lowest level possible with the least amount of time and resources. The Employee or the Union Representative (Field Representative or Shop Steward) may first confer with the supervisor or with such other person as the Employers may designate and attempt to settle the matter.
  - The Union must initiate the grievance procedure by completing and delivering a grievance form to the Vice President of Human Resources or designee within fourteen (14) days of the date upon which the Union first became aware, or reasonably should have first become aware, of the events or circumstances which gave rise to the grievance.
  - A meeting to resolve the grievance shall take place within fourteen (14) days after the filing of the grievance.
  - In this meeting the parties shall engage in a full and frank discussion of their respective positions including the supporting rationale for their positions. A representative from the Vice President of Human Resources or designee will respond in writing within fourteen (14) days of the meeting.
- C. Timeliness/Failure to Meet Grievance Timelines. If the Employers do not timely respond to a Union or an Employee grievance, the grievance shall automatically move to the next step.
- D. Employers Grievances. Employers grievances shall be submitted at the Step 1 level in writing on the appropriate form directly to the Union's Field Representative. If requested, a Union Representative and a representative of the Human Resources Department shall meet in an effort to resolve the grievance within fourteen (14) days of the date of the written grievance. The Union shall provide an answer, in writing, within fourteen (14) days following the meeting, or within fourteen (14) days after the date of the Employers' grievance if no meeting is requested.

If the Union's Step 1 answer is not satisfactory, or if no answer is given within the specified time period, the matter shall be submitted to arbitration by written request of the Employers in accordance with the time limits set forth for a Union request for arbitration and subject to the provisions of Step 1 above and Section (G) (1) below.

E. Union Participation. A representative of the Union, designated by the Union, has the right to prompt notice from the Employers of any grievances filed by individual Employees. A Union Representative and/or Steward, designated by the

Union, has the right to be present at any grievance meeting called for the purpose of discussing an Employee grievance.

F. Mediation By Mutual Agreement at All Facilities. Prior to arbitrating, the parties may submit any grievance to mediation by mutual agreement. However, such mediation shall not delay the arbitration.

#### G. Arbitration

- Demand for Arbitration. If the grievance is not resolved in Step 1, either party may proceed by submitting a written request for arbitration to the other party (a) within fourteen (14) days after the due date of the Step 1 response or (b) within fourteen (14) days following the receipt of the Step 1 response. A Union request for arbitration will be sent to the Vice President of Human Resources or designee.
- Selection of Arbitrator. The Parties will select an Arbitrator within seven (7) days of notice of intent to arbitrate. The parties will select an Arbitrator by alternately striking a name from the following list of Arbitrators:

Matthew Goldberg Robert Hirsch Barry Winograd Andrea Knapp Richard Kagen John Kagel Frank Silver

The order of striking will be determined by the winner of a coin toss.

- Arbitration Hearing and Decision. The Arbitrator shall hear the submitted grievances as expeditiously as possible, and shall render a decision in writing within fourteen (14) days after the conclusion of the last hearing or submission of briefs, whichever is later.
- 4. Arbitration Fees and Costs. The fees and expenses of the Arbitrator, the cost of the hearing room, and the cost of the court reporter, if required by the Arbitrator, shall be shared jointly by the parties, except in the case of a postponement that results in the cancellation of an arbitration date. Each party will bear its own expenses of representation and presentation of its case, including witnesses, and including the cost of any transcript for the party's own use.
- 5. Arbitration postponements and cancellations. Either party has the right to one (1) postponement of a case. If the postponement results in a cancellation fee to the Arbitrator, the proposing party shall pay the Arbitrator's cancellation fee, unless a date is substituted at no additional

cost.

- 6. Arbitrator's Authority. The Arbitrator shall have no power to add to, to subtract from or to change any of the terms or provisions of the Agreement. His or her jurisdiction shall extend solely to claims of violation of specific written provisions of the Agreement and involve only the interpretation and application of such Agreement. The award shall be based upon the joint submission agreement of the parties, or in the absence thereof, the questions raised by the parties in respect to the specific interpretation and application of the Agreement. Further, the Arbitrator's decision will be final and binding upon all parties concerned.
- 7. Processing Grievances in Good Faith. Consistent with the Preamble of this Agreement, the parties agree that it is in everyone's best interests to address grievances in a timely, professional and ethical manner. With respect to a particular complaint or grievance of an Employee concerning the interpretation or application of this Agreement the Field Representative of the Union or Shop Steward may inspect relevant material in the Employee's personnel file upon which the Employers are or will be relying. Such information will be provided in a timely manner. The Union may request other information it deems relevant to the processing of a grievance, and if the Employers are in agreement that the information is relevant, the Union will be provided with it. In the event of a disagreement on the appropriateness or relevance of any information requested, such disputes are not subject to the grievance procedure. This does not preclude either party from exercising its rights under any applicable Federal or California State laws.
- 8. Employee Participation. The Employers and the Union agree that Employees having direct knowledge of facts giving rise to a grievance should be free to participate on behalf of any party in all steps of the Grievance and Arbitration Procedure, and should be free from recriminations from either side for so doing.

# ARTICLE 32: DISCIPLINE AND DISCHARGE

# A. Just Cause

The Employers may only discipline or terminate any Employee for just cause.

# B. Progressive Discipline

Unless circumstances warrant severe actions, the Employers will utilize a system of progressive discipline. Progressive steps shall include verbal counseling, and/or warnings, written counseling and/or warnings, disciplinary suspensions without pay, and termination of employment, Except where prohibited by law, if after a one (1) year period of time following the issuance of discipline, there has been no discipline of a similar nature the disciplinary notice will be removed from

the Employee's record upon request from the Employee. Time spent on a leave of absence does not count toward the time frame to remove discipline from an Employee's file.

## C. Investigatory Suspension

No Employee shall be held in unpaid investigatory suspension or unpaid administrative leave status for more than seven (7) calendar days.

#### D. Written Disciplinary Action

A written warning is a document designated as such by the Employers. An Employee who receives a written warning shall be given a copy of the warning and shall sign a receipt to acknowledge having received the document. Acknowledging receipt of the warning shall not constitute an admission of the Employee's agreement with the substance of the warning. A Union grievance contesting a written warning shall be subject to the requirements of Article 31, Grievance and Arbitration.

## E. Disciplinary Notices, Rebuttal, and Inspection of Personnel Files

- There shall be one official personnel file for all bargaining unit Employees and they shall have the right to inspect and to be provided, on request, with one copy of any document in the Employee's personnel file.
- Employees will receive copies of all disciplinary notice(s) placed in their
  personnel files and shall have the right to rebut in writing any disciplinary
  notice. Such rebuttals, other than grievances, shall be attached to the
  disciplinary notice and placed in the personnel file.
- In any case where the Employers and the Union agree to revise personnel record materials, the Employers shall, upon request, provide evidence of the revision.

# F. Weingarten Rights

The following holding of the United States Supreme Court in NLRB v. Weingarten, Inc., shall apply to investigatory interviews conducted by the Employers when an Employee, upon his or her request, is entitled to have a Union Representative (Field Representative or Union Steward) present during an investigatory interview in which the Employee is required to participate where the Employee reasonably believes that such investigation will result in disciplinary action. The Employers will notify the Employee of their right to Union representation prior to any investigatory interview where the Employers reasonably believe that such investigation may result in disciplinary action. The right to the presence of a Union Representative (Field Representative or Union Steward) is conditioned upon a requirement that the Union Representative (Field Representative or Union Steward) be available for participation in such

investigatory interview within twenty-four (24) hours, excluding Saturday, Sunday, and holidays, of the Employee's request for his/her presence.

## ARTICLE 33: FIELD REPRESENTATIVES' VISITS AND SHOP STEWARDS

## A. Field Representatives' Visits

Duly authorized Union Field Representative shall be allowed access to visit the facility at all times to ensure compliance with this Agreement and to conduct Union business. This right shall be exercised reasonably so as not to interfere with the Employers' operations or the work of any Employee. The Union Field Representative shall advise the Vice President of Human Resources or his/her designee immediately, in person or by telephone, upon entering the campus of the departments and areas the representative will visit.

## B. Union Shop Stewards/Representational Leaders

Union Stewards/Representational Leaders lead the representation work of the Union at the facility level. Both parties recognize the critical role of trained Union Stewards/Representational Leaders as the primary representatives of Employees in grievance, discipline and other matters.

- The Union shall provide the Employers with a written list of Union Stewards after their designation, and shall notify the Employers of changes as they occur. The Union may designate one steward per facility as the Rep. Chair.
- The functions of the Union Steward include the authority (1) to settle or
  assist in settling problems arising in connection with the application or
  interpretation of the Agreement, (2) to resolve grievances at Step 1 of the
  grievance procedure, and (3) to serve as a Union representative for
  Weingarten meetings.
- 3. Union Stewards will be released without loss of pay to attend grievance and Weingarten meetings scheduled during working hours. Investigation of grievances by such stewards shall normally be conducted during non-working hours. Otherwise, Union Stewards shall perform their functions or Union related activities on their own time. However, if a meeting is mutually agreed to with the Union Steward during the steward's work shift, that time will be paid for by the Employers. Upon notification to the manager, if the Union Steward wishes to schedule a meeting with an Employee during the steward's work shift, release time shall not be unreasonably denied.
- 4. Union Stewards shall not direct any Employee how to perform or not perform his/her work, shall not countermand the order of any Supervisor, and shall not interfere with the normal operations of the Employers or any other Employee.

- 5. The Employers' designated representative will meet with two Union Representatives (Field Representative and/or Union Stewards) and any affected Employee on any grievance or issue concerning this Agreement. If additional Employee(s) or Union Representatives have firsthand facts to present as a witness concerning the Union's grievance issue, however, then such additional person(s) also may attend, by prior mutual agreement with the Employers at the time the meeting is set.
- Upon advance written request and subject to staffing and scheduling needs, the Employers will provide up to four (4) days without pay per calendar year to a Union Steward for the purpose of participating in Union educational programs.
- 7. Upon proper advance notice, the Employers shall continue to exercise good faith efforts to release duly recognized Shop Stewards to leave their normal work to attend the monthly Shop Steward meeting. No more than four (4) hours of such release time per month will be allowed. Stewards not scheduled to work will not receive any pay for attendance at such meeting. The paid time spent at monthly steward meetings will not count towards overtime calculations. Within thirty (30) days of the ratification of the contract, the Union will provide to the Employers a schedule of the Union Steward's Council's regularly scheduled meetings, for the next twelve (12) months (and will further submit a schedule on an annual basis for succeeding years of this Agreement). A maximum of one (1) steward for every twenty-five (25) bargaining unit Employees shall receive the release time, not to exceed eight (8) stewards at Saint Louise, and ten (10) at O'Connor.
- 8. Shop Stewards will be permitted to leave their normal work to attend the monthly Shop Steward meeting. No more than eighty (80) hours quarterly in the aggregate, of such paid time will be allowed. Stewards not scheduled to work will not receive any pay for attendance at such meetings. Time spent at monthly Shop Steward meetings will not be used to compute overtime. In departments with multiple Stewards and patient care needs, the Stewards will determine a rotation for attendance if warranted.
- Time spent attending arbitration hearings by Shop Stewards, grievants and witnesses called by the Union shall be unpaid.

# C. Union Healthcare Leaders: Shop Stewards

- The Union will notify the hospital of bargaining unit Employees designated by the Union as Union healthcare leaders, i.e. Shop Stewards.
- Within the workplace, the role of Union healthcare leaders/Shop Stewards shall be to (a) promote participation by Employees in health and wellness

initiatives, and (b) promote Employee participation in practices designed to improve Employee health and quality healthcare measures, including but not limited to infection control practices within the hospital.

- 3. Effective January 1, 2016, the employer agrees to grant up to six (6) hours of paid release time per quarter, for a maximum of three (3) healthcare leaders/Shop Stewards, to be scheduled by mutual agreement between the Union and the employer for the purpose of providing training to the Union healthcare leaders/Shop Stewards on relevant issues and practices. Such paid release time will not be counted as hours worked for purposes of calculating overtime.
- 4. Upon advance request by the Union healthcare leaders/Shop Stewards, and subject to the approval of the hospital through its appropriate supervisors, these Employees will be allowed time to address relevant and appropriate topics in such forums as (a) regular or special departmental meetings, (b) one-on-one meetings with individual Employees in their department or area, or (c) other meetings as may be mutually agreed. It is understood that any such activities which occur during working time will be scheduled in such a way that patient care and operations will not be adversely affected, and with the approval of the Employee's supervisor. It is further agreed that any such participation shall be limited to the topics of promoting health objectives as outlined in subsection C.2 above, and shall not be used for other purposes unrelated to these goals.

# D. Employee Representatives to Union Negotiation Committee

Upon proper advance notice, the Employers shall continue to exercise good faith efforts to release Employees appointed to the Union's Negotiating Committee, subject to staffing, scheduling and immediate patient care needs. A maximum of five (5) such Employees per facility who miss time worked from their regular work schedule due to attending negotiating sessions including caucuses shall be paid by the Employers for all hours missed from work up to the Employee's regular scheduled work hours. Additionally, they shall suffer no loss of seniority, benefits or paid time off accruals, including extended sick leave. Such release time shall not be counted towards the computation of overtime or any premium pay.

## ARTICLE 34: NO STRIKE/NO LOCKOUT

There shall be no strike, work stoppage or other interruption of work during the life of this Agreement by the Union or Employees. During the life of this Agreement there shall be no sympathy strikes by the Union. Furthermore, the Union will not threaten to engage in any activity prohibited by this Article. Similarly, there shall be no lockout by the Employer during the life of the Agreement. Informational picketing is not prohibited if the Union provides a timely 8(g) notice; its activity is limited to such picketing; and if the Union's 8(g) notice and other communications clearly say that its activity will be limited to such picketing.

# ARTICLE 35: CHANGE OF OWNERSHIP, MERGERS, SALES, CLOSURES AND TRANSFERS

In the event of a merger, sale, closure, leasing assignment, divestiture, or other transfer of ownership and/or management of its operation in whole or in part, the Employers shall comply with the following. This article shall not apply to subcontracting or outsourcing of a department or service. In that event, Article 6 shall apply.

## A. Notification

The Employers shall notify the Union in writing at least ninety (90) days prior to taking any action described in the preceding paragraph, except for hospital closure for which six (6) months advance notice is required.

#### B. Successor

This agreement shall be binding upon the Union and the Employers or any successor thereof whether the succession is by any of the means described above as it applies to the business of the Employers, in whole or in part, or to any change in management companies.

#### C. Conditions and Liabilities

In the event the Employers desire to sell or otherwise transfer the establishment or engage in any future acts set forth above and covered by this Agreement, it shall be a condition of the sale and/or transfer and inserted into any agreement of sale or management contract that this collective bargaining agreement and all its obligations thereof shall be binding upon any purchaser or transferee. Prior to taking any action described in this provision, the Employers shall be liable for all the compensation and payment due and owing to the Employees or the Union.

# ARTICLE 36: SEVERABILITY AND SAVINGS CLAUSE

In the event that any provision of this Agreement is found to be in conflict with state or federal law, the remaining provisions of this Agreement shall remain in full force and effect.

If a provision in this Agreement is invalidated by state or federal law, the Employers and the Union shall meet for the purpose of considering lawful substitute provisions.

# ARTICLE 37: ORGANIZING RIGHTS

The Employers and the Union agree to the following Union recognition procedure. This procedure is intended to provide Employees freedom of choice on the question of unionization.

# Section 1 - Statement of Philosophy

The Employers and the Union support the philosophy that positive relationships arise from shared creativity and responsibility; the recognition and protection of basic human rights of

workers; and the representation of workers' interest in those decisions that affect them in a way that assures that their voice will be consistently and effectively heard.

The Employers also support the right of workers to form and join an Employee organization. They support their right to choose not to do so. It is important when Employees are making such a choice that accurate information about the goals and vision of any organization that is seeking to represent them be available to the Employees to assist them in making their decision.

## Section 2 - Notice of Intent to Organize

When Employees have begun signing Union authorization cards in an appropriate unit, as defined herein, the Union shall promptly notify the Employer of the Employees in that unit of its intent to organize a group of Employees and identify an appropriate unit.

Within seven (7) days of the Union's notification to the Employer of its intent to organize an appropriate unit, the Employer and the Union will distribute a jointly signed reproduction of the Recognition Procedure as described herein.

# Section 3 - Appropriate Unit Defined

The parties agree that, except as provided herein, an appropriate unit is that which is defined by the National Labor Relations Board for healthcare providers. Appropriate bargaining units shall be as follows:

- 1. All professional Employees, except physicians and registered nurses;
- 2. All technical Employees, except those already included in existing units;
- 3. All home health non-professional Employees;
- 4. All home health professional Employees;
- 5. All residual service and maintenance Employees; and
- 6. All Business Office clerical Employees.

Bargaining units pursuant to this provision will be on a single facility basis, and shall be as set forth in the National Labor Relations Board Health Care Rules.

# At Saint Francis only:

Appropriate Unit Defined The parties agree that, except as provided herein, an appropriate unit is that which is defined by the National Labor Relations Board for healthcare providers. Appropriate bargaining units shall be as follows:

- All professional Employees, except physicians and registered nurses;
- 2. All technical Employees, except those already included in existing units;
- 3. All home health non-professional Employees;
- 4. All home health professional Employees;
- 5. All residual service and maintenance Employees;
- All Business Office clerical Employees;
- 7. All skilled maintenance Employees.

Bargaining units pursuant to this provision will be on a single facility basis, and shall be as set forth in the National Labor Relations Board Health Care Rules.

<u>Determination of Majority Status/Election</u>. Upon presentation of the percentage of Union authorization cards required by the NLRB to the NLRB from the Employees in an appropriate bargaining unit, as defined above, Employees in any of the appropriate bargaining units are entitled to petition for an election to be held by the NLRB in an expedient and timely manner.

The Employers and Union agree to the mutual goal of scheduling an election conducted by the NLRB within forty-five (45) days of the filing of the petition.

If, within three (3) weeks after filing the petition, the Board fails or is unable to schedule an election within forty-five (45) days, the parties shall meet and decide upon a third party to conduct and oversee the election process. The parties agree that the selection of the third party shall be from among Charles Askin, Boren Cherkov, Dan Altemus or any other mutually agreed upon third party based on the availability to adhere to the timelines set forth herein. The election shall be held within forty-five (45) days after filing the petition. The election will be conducted in a mutually agreeable location and manner and shall follow generally accepted NLRB guidelines.

Within five (5) days after the election is directed by the Board or alternative third party, the Employer will provide the Union with a list of the names, addresses, and current telephone numbers of Employees in the appropriate unit the Union seeks to organize, subject to applicable laws.

The Employers agree to recognize the Union as the collective bargaining agent on behalf of Employees in any appropriate unit, as defined herein, where a majority of Employees vote for SEIU-UHW representation, subject to applicable law. Such Employees shall be accreted into and covered by this Agreement upon certification of the election results by the NLRB or third party. Where classifications are accreted into this Agreement that are not currently covered, the parties will meet and negotiate over their wages and other terms and conditions that are not already covered by this Agreement.

# Section 4 - Code of Conduct

- Employees shall be entitled to make a decision regarding Union representation free from coercion, intimidation, promises, or threats.
- The Employers and the Union agree that they will communicate only that which they believe to be factual and will do so in a way that does not personally attack officers, executives, representatives, Employees, or sponsors of either the Employer or the Union.
- The Employers will not inform or imply to eligible voters that they will lose benefits, wages, or be subject to less favorable working conditions by unionizing.

- 4. The Employers agree that their authorized communication with Employees regarding Unionization shall take place in group meetings and that they shall not initiate one-on-one conversations with Employees about Union representation. Employee participation in Employer initiated group meetings for the purpose of discussing unionization shall be voluntary.
- During the period following provisions of notice of "Intent to Organize" as described above, the parties will meet periodically to regulate adherence to the Code of Conduct.

#### Section 5 - Dispute Resolution

Regardless of who conducts the election, the parties agree that they will use the rules and procedures approved by the National Labor Relations Board to ensure that a fair and representative election occurs in an appropriate bargaining unit as defined above among properly eligible Employees, and that if the NLRB processes are utilized, that they will not abuse such processes for purposes of delay or any other improper purposes.

The parties agree that, upon filing of the petition with the Board, the Union and the Employer will meet promptly and will exert their best efforts to identify and resolve issues concerning Supervisors, managerial Employees, and confidential Employees before a hearing is scheduled before the Board or third party. Should any disagreements arise that cannot be resolved between the parties, any such Employee whose eligibility is in dispute at the time of the election shall be allowed to vote by challenge ballot. The NLRB or third party (whichever conducts the election or is chosen by the parties) shall have the authority to fully resolve any such disputes with respect to the inclusion or exclusion of any classification in the unit and the eligibility of any Employee to vote. When so utilized, both parties agree to accept and be bound by all of the decisions of the third party or NLRB.

# ARTICLE 38: TERM OF AGREEMENT

This Agreement shall be effective as of November 1, 2018, and shall remain in effect until October 31, 2021. November 1 shall be the anniversary date of this Agreement.

United Healthcare Workers-West, SEIU-UHW	Verity Health System
Date:	Date:
By: David Regan, President	By:Steve Sharrer, Chief Human Resources Officer of Verity Health System
By:Stan Lyles, Vice President	On behalf of <del>O'Connor Hospital, St. Louise-Regional Hospital, St. Vincent Medical Center, and St. Francis Medical Center</del>
By: Greg Pullman, Chief of Staff	
By:Chokri Bensaid, Hospital Division Director	

Bargaining Team Members	
William Alvarado St. Vincent Bargaining Committee Member	
Hilda Daily St. Vincent Bargaining Committee Member	
Jaime Duarte St. Vincent Bargaining Committee Member	
Vincent Class O'Connor Bargaining Committee Member	
Karen Linzy St. Francis Bargaining Committee Member	
Mike Masoudifard O'Connor Bargaining Committee Member	
Caroline Plaza St. Francis Bargaining Committee Member	
Marc Quarles St. Louise Bargaining Committee Member	

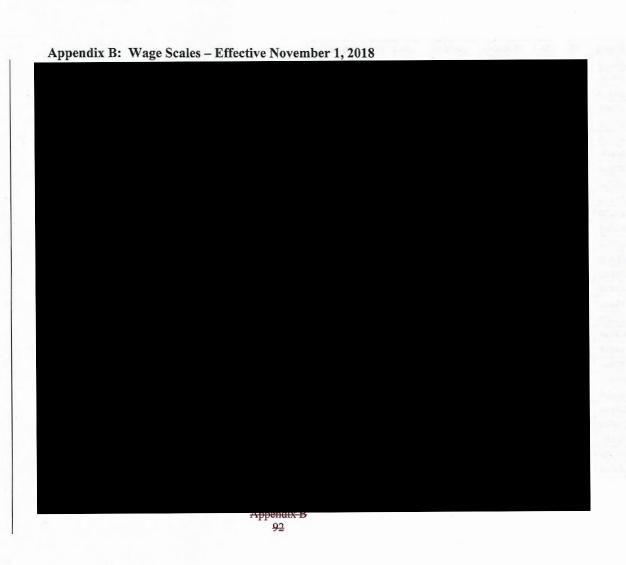
Case 2:18-bk-20151-ER Doc 1192-3 Filed 01/02/19 Entered 01/02/19 21:51:43 Desc Exhibit Page 89 of 126

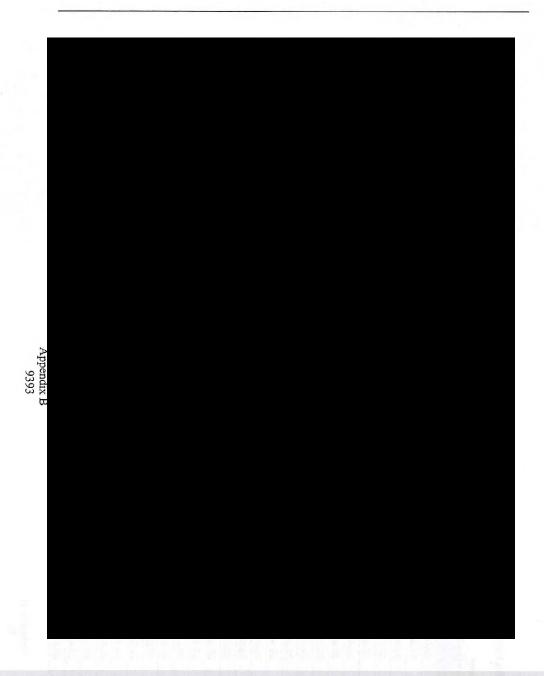
		- X-
Lydia Reyes St. Louise		
Bargaining Committee Member		
Estrella Sanchez O'Connor Bargaining Committee Member		
Policarpo Trejo St. Vincent Bargaining Committee Member		
barganing Committee Member		
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# Appendix A: Cope Check Off Form

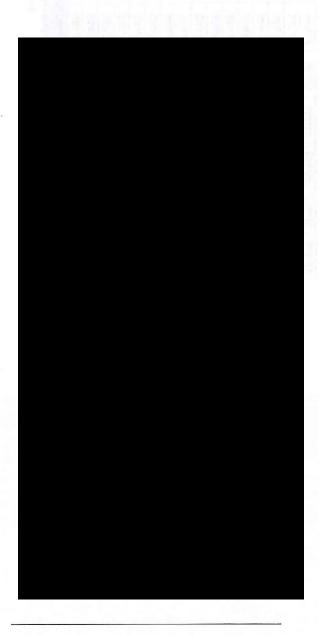
□ \$5 per month □ \$10 per month □ \$per	In order to build political power for healthcare workers
month	and make healthcare a priority for public officials. I hereby authorize SEIU United Healthcare Workers-
First Name Middle	West to file this payroll deduction with my employer and for my employer to forward the amount specified
THIS THERE	as a voluntary contribution to SEIU COPE and to transfer such funds to SEIU United Healthcare
Last Name	Workers-West. This authorization shall remain in full
	force and effect until revoked in writing by me. This authorization is voluntarily made on my specific
Social Security Number	understanding that: I am not required to sign this form or make COPE
Employer	contributions as a condition of my employment or membership in the Union;
Employer	I may refuse to contribute without any reprisal;     Only Union members and executive/
Job Title or Department	administrative staff who are U.S. citizens are eligible to contribute to SEIU COPE;
	The amounts on this form are merely a suggestion, and I may contribute more or less by this or
Phone Number	some other means without fear or favor or discharge
Cell Phone	from the Union or my employer. SEIU COPE uses the money it receives for political
	purposes, including but not limited to addressing political issues of public importance and contributing
Email	to and spending money in connection with federal, state and local elections. Contributions to SEIU COPE are not tax deductible for federal income tax purposes.
	Signature
	Date



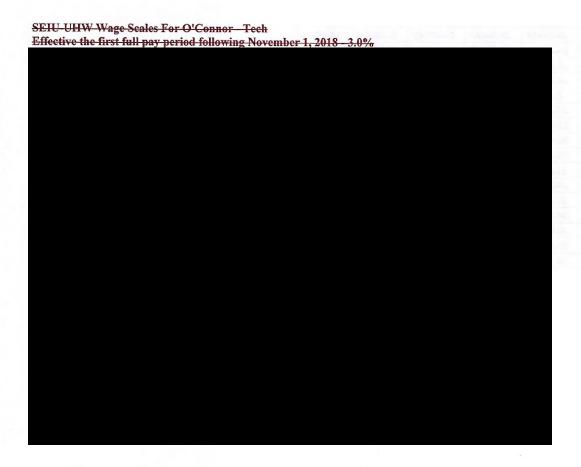


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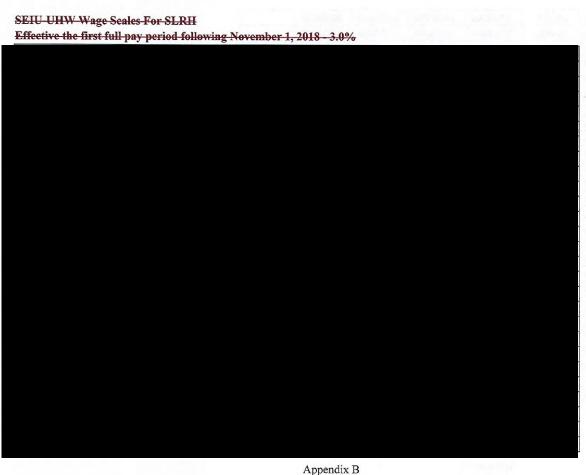
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Appendix B 9493



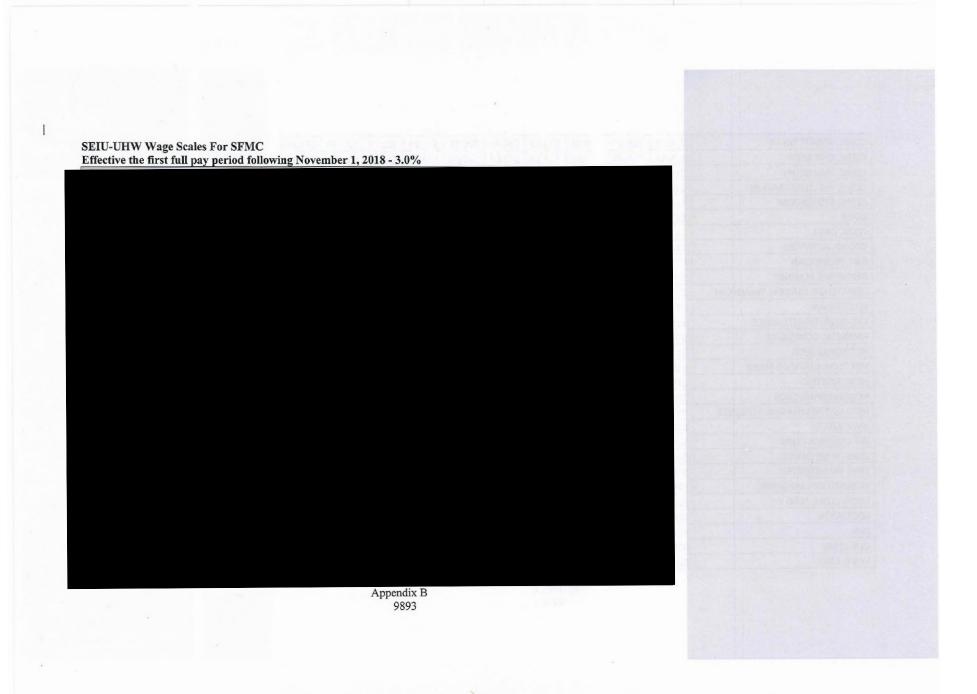
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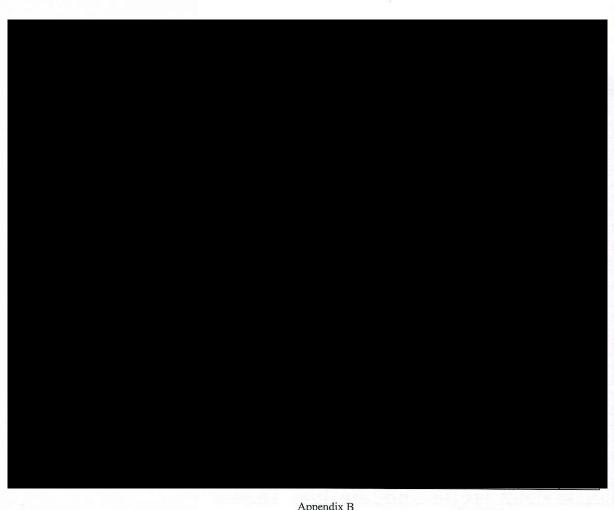


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Appendix B 9793

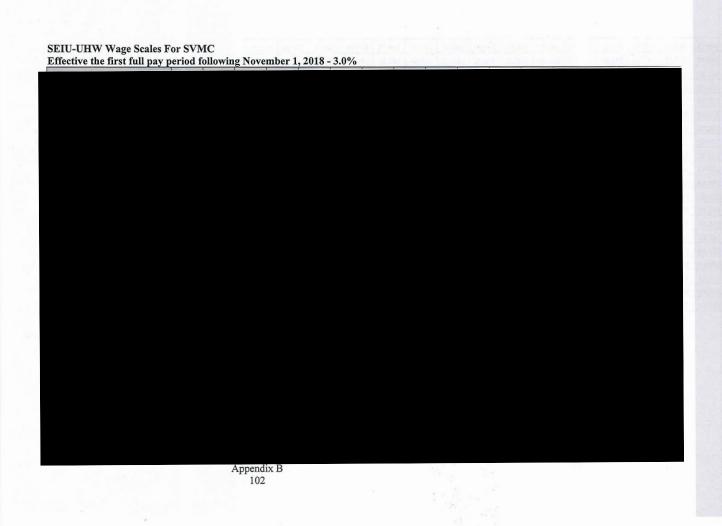


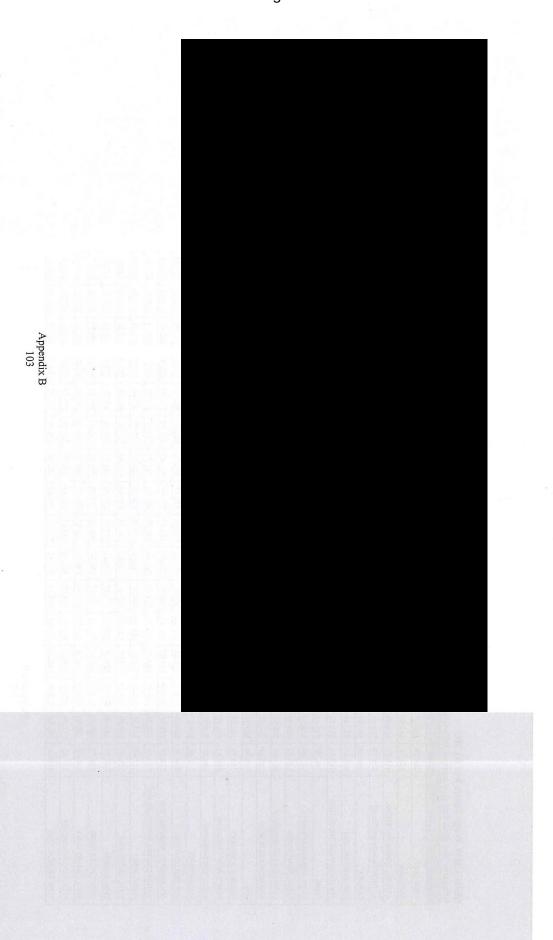


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Appendix B 101



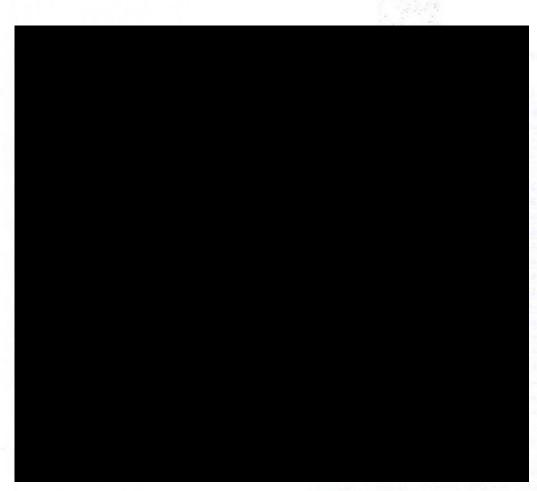


Appendix B: Wage Scales - Effective November 1, 2019

SEIU-UHW Wage Scales For O'Connor
Effective the first full pay period following November 1, 2019 - 3.0%



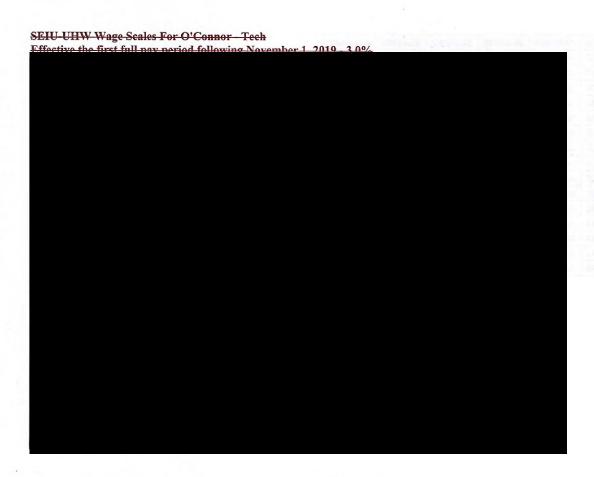
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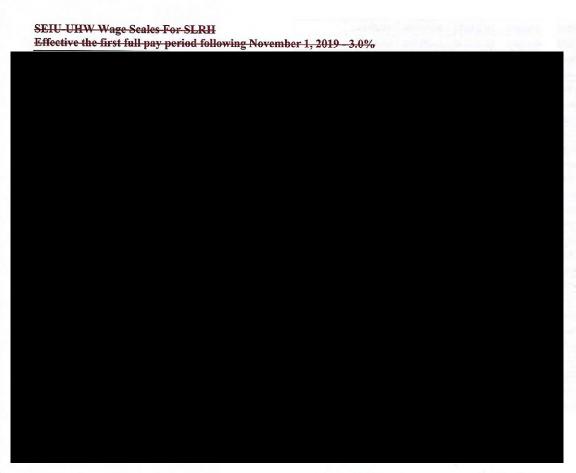
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Appendix B 106105



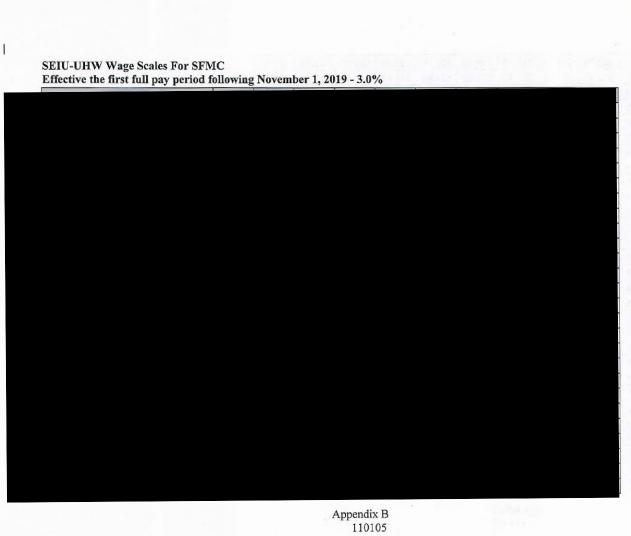
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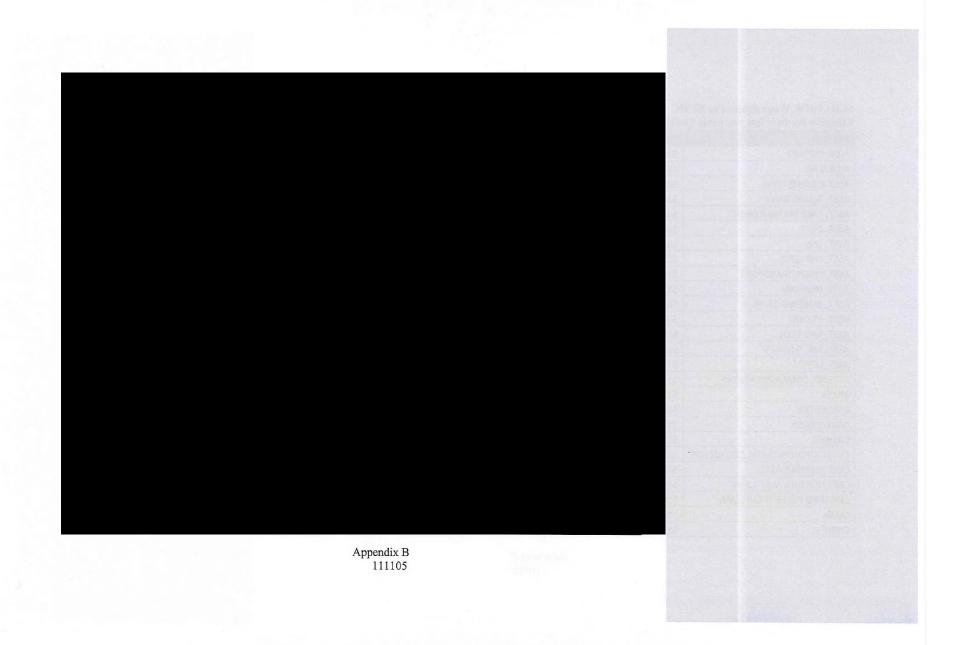


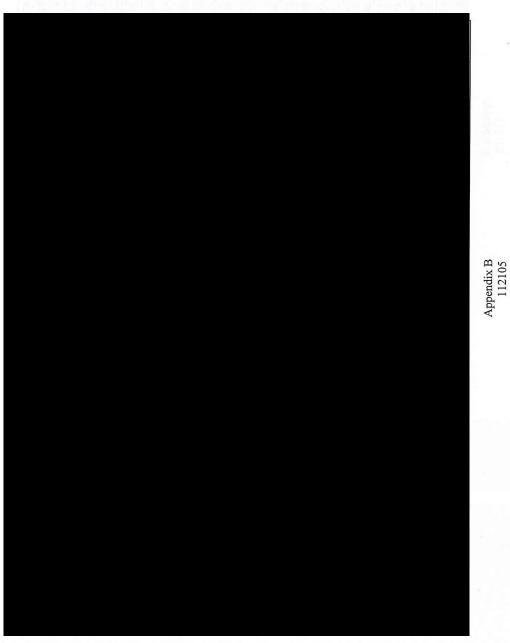
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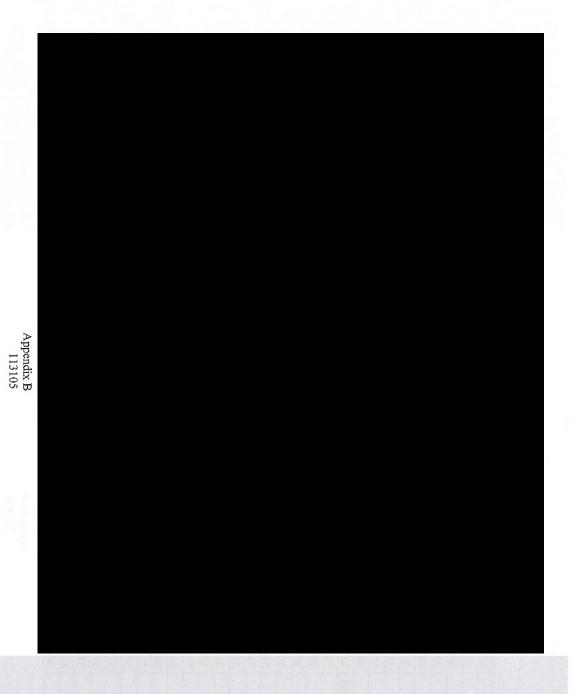


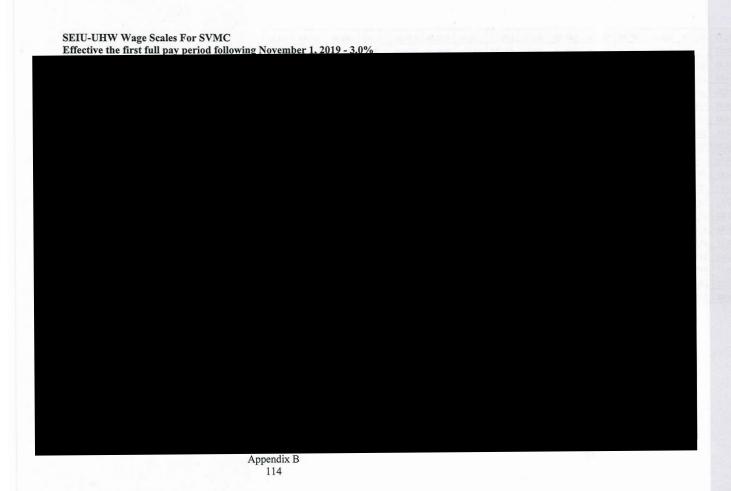
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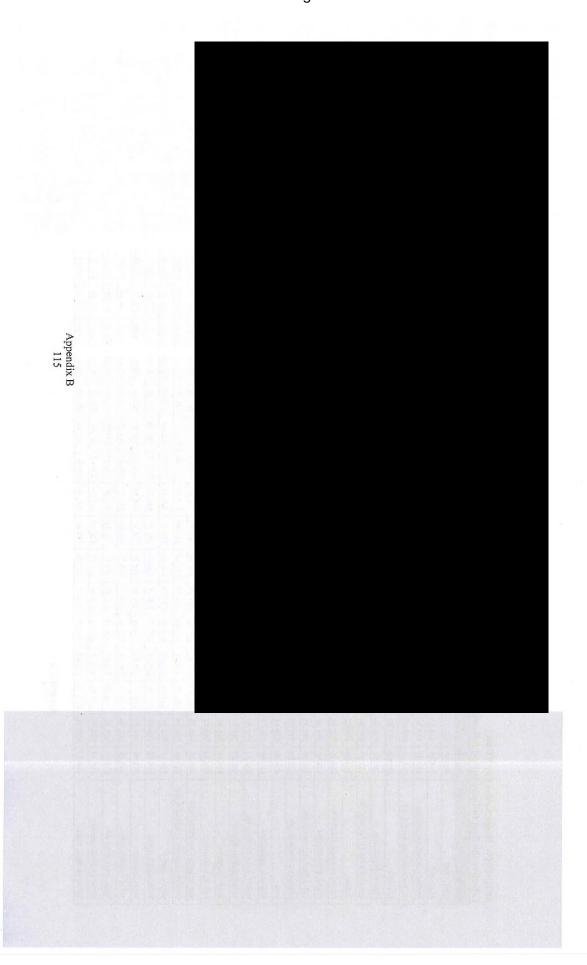


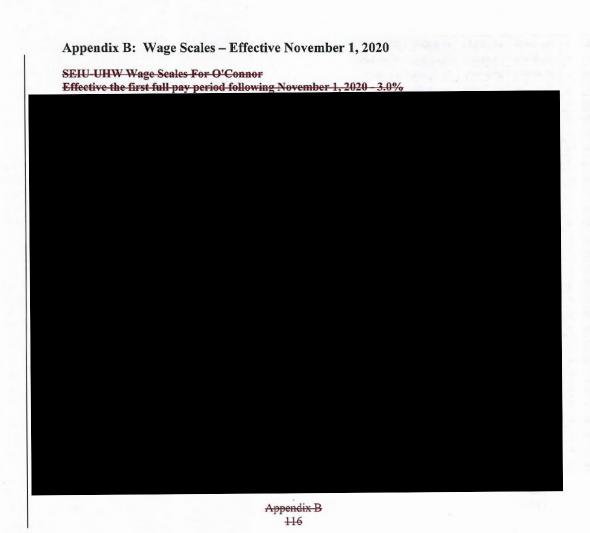






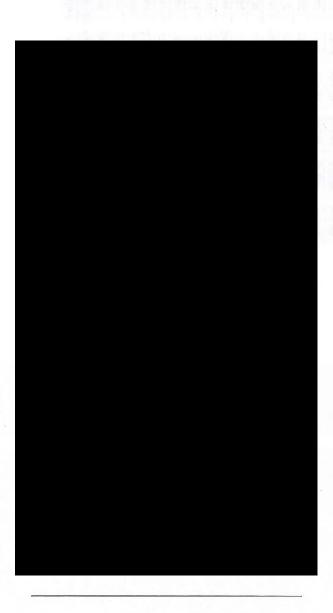




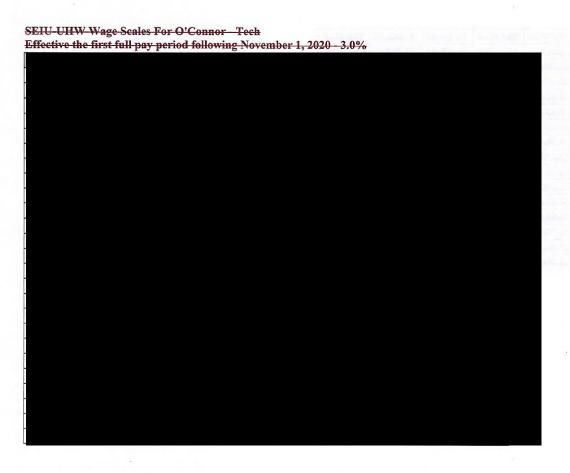




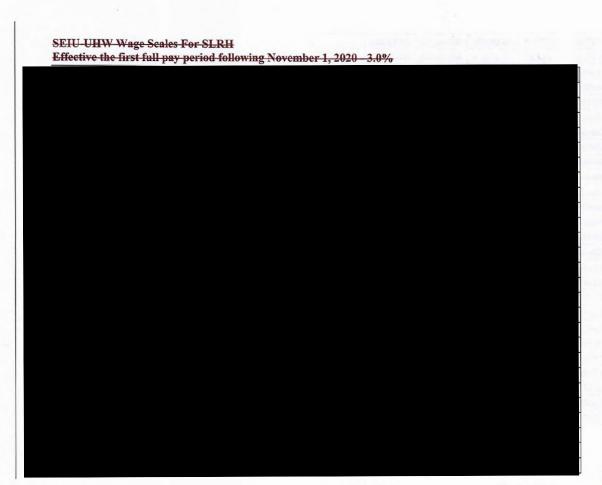
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Appendix B 118117



Appendix B 119117

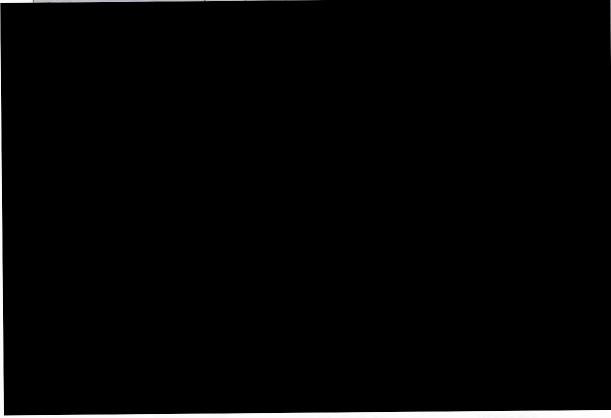


Appendix B 120117



Appendix B 121117

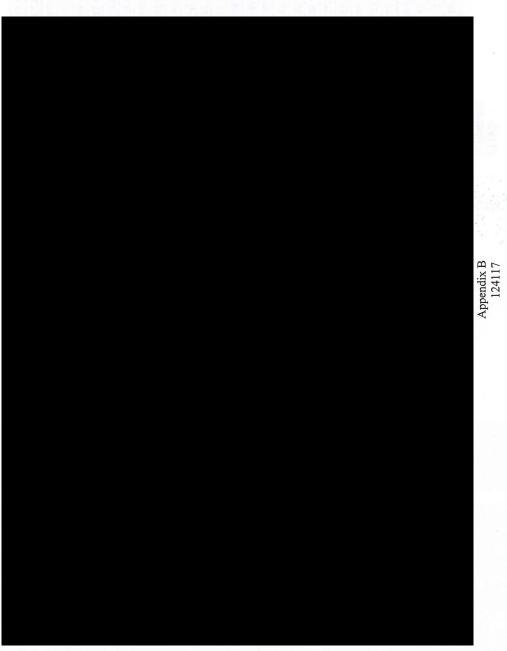
SEIU-UHW Wage Scales For SFMC Effective the first full pay period following November 1, 2020 - 3.0%

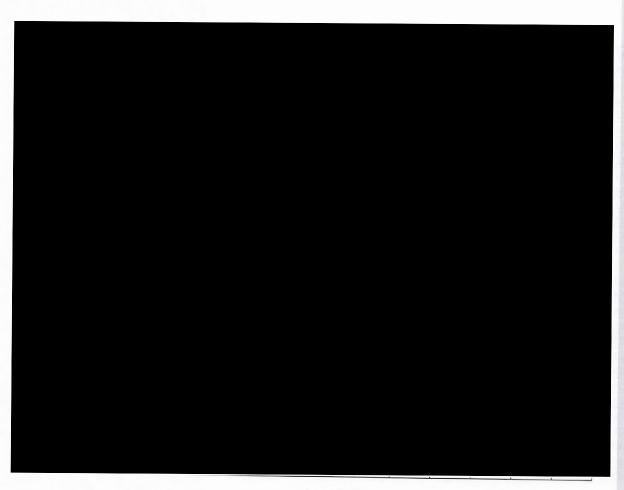


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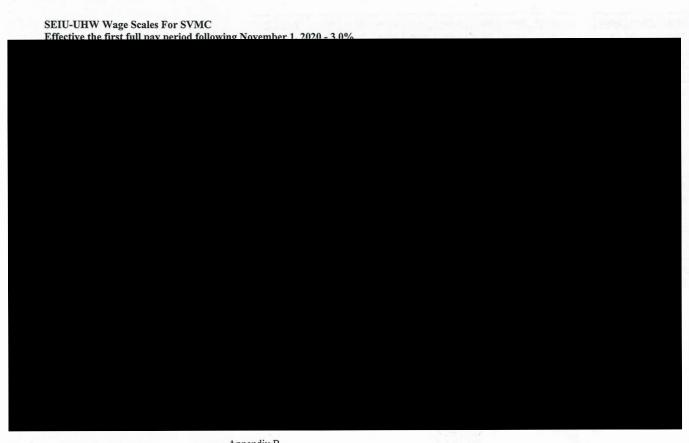


Appendix B 123117





Appendix B 125117



Appendix B 126

