

COMPREHENSIVE REPORT

to the Community Health membership of the

Hospital Employees' Union

on the tentative agreement reached between the

**Community Health Bargaining
Association**

and

Health Employers Association of BC

December 18, 2013





HOSPITAL EMPLOYEES' UNION

BACKGROUND

Community Health Bargaining Association reaches five-year tentative agreement

The Community Health Bargaining Association (CBA) – which covers about 1,500 HEU community health members – reached a tentative agreement in late November for more than 15,000 union members working in the community health sector across the province.

It's a five-year agreement, effective April 1, 2014 until March 31, 2019.

As the CBA's lead negotiator, the B.C. Government and Service Employees' Union (BCGEU), and other unions, entered into early coordinated talks with the Health Employers Association of BC (HEABC), the Community Social Services Employers' Association (CSSEA) and the provincial government in order to find common ground to reach settlements at three major tables.

The CBA represents Community Health Service and Support workers, which includes members who provide services to seniors and others in their own homes, alcohol and drug counsellors, members who work with adults and children in community settings, and those providing administrative support to other health care workers.

Negotiating framework

It was clear from HEU's community health bargaining conference that this sector's members' priorities included wage increases, employment security, and maintaining current benefit levels.

The CBA, which began talks in early November, was seeking an agreement that would address those priorities. HEABC agreed to this basic framework and talks continued for four weeks.

On November 30, the parties reached a tentative settlement. While the CBA has recommended ratification of the agreement, the HEU Provincial Executive is not making a recommendation on whether members should ratify the deal.

Highlights of the proposed settlement

This tentative agreement contains several improvements:

- wage increases totalling 5.5 per cent over five years for all members, including members whose wages were red-circled

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- Economic Stability Dividend in four of the five years provides the possibility for further wage increases, if economic growth exceeds forecast growth
- compensation comparability with the facilities subsector
- benefit improvements to level up to facilities
- renewal of employment security provisions
- increased mileage and meal allowances
- additional funding for Enhanced Disability Management Program
- seniority accrual while on sick leave
- a Benchmark Review Joint Working Committee

Wage increases

- April 1, 2015 – one per cent (1.0%)
- February 1, 2016 – Economic Stability Dividend
- April 1, 2016 – one-half per cent (0.5%)
- February 1, 2017 – one per cent (1.0%) + Economic Stability Dividend
- April 1, 2017 – one-half per cent (0.5%)
- February 1, 2018 – one per cent (1.0%) + Economic Stability Dividend
- April 1, 2018 – one-half per cent (0.5%)
- February 1, 2019 – one per cent (1.0%) + Economic Stability Dividend

Economic Stability Dividend

If actual real GDP exceeds the forecasted real GDP, a conditional percentage wage increase (amounting to 50 per cent of the difference) would be applied to the hourly wage rate at the first pay period after February 1 of 2016, 2017, 2018 and 2019.

Wage comparability adjustments

The new agreement provides for wage comparability adjustments totaling two per cent (2%) over the final three years for members with occupations similar to those covered by the facilities subsector agreement. An amount equal to 1.6 per cent of payroll will be added to the wages of members who work in comparable occupations. These comparability increases are a first step in addressing the wage gap that members have identified as a priority for bargaining.

The two per cent (2%) comparability wage increases will be directed to 80 per cent of the members. A committee of five members appointed by the unions and five members appointed by HEABC will review wage rates for occupations in the community subsector and the facilities subsector, and identify occupations that will qualify for the comparability increases.

If the committee is unable to agree on which occupations are eligible for a comparability adjustment, it will refer its differences to arbitrator Vince Ready.

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Wage comparability adjustment rates

- April 1, 2016 – one per cent (1.0%)
- April 1, 2017 – one-half per cent (0.5%)
- April 1, 2018 – one-half per cent (0.5%)

Increased benefit coverage

The new agreement provides for increased health and welfare benefits to help close the gap with the facilities subsector agreement. In addition, the new agreement addresses problems that some members encountered when moving to the PharmaCare tie-in.

The improvements to benefits are detailed in the attached bulletin.

Contracting out and re-tendering provisions are maintained

The existing provisions for employment security and protection against contracting out have been maintained. The trigger will remain at 500 for the life of this five-year agreement. Members were clear in their demand that this provision be maintained and the bargaining committee fought back any attempt to amend this clause.

Increased mileage and meal allowances

The mileage and meal allowances have been increased to the level of the public service agreement. Please note that the settlement framework shows the incorrect meal allowances. The correct rates are below.

Meal allowances

Meal	November 7, 2012	April 1, 2016	April 1, 2018
Breakfast	\$11.75	12.00	12.00
Lunch	\$13.50	13.80	14.00
Dinner	\$22.75	23.25	24.00

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Mileage rates

Date	Rate per km
April 1, 2013	\$0.52
April 1, 2016	\$0.53
April 1, 2018	\$0.54

Joint Community Benefits Trust

A Joint Community Benefits Trust (JCBT) will be established on September 30, 2015. On April 1, 2016, the jointly run JCBT will take over the management and decision-making of community health and welfare benefits, including extended health, dental, accidental death and dismemberment and long-term disability benefits.

The employer will continue to be responsible for medical services plan benefits.

A working group made up of an equal number of members appointed by the Association and HEABC will be formed no later than September 30, 2014. The working group will develop the operational structure for the JCBT, and on September 30, 2015, the trust will begin operations and the working group will be dissolved. The working group can refer any matter relating to the establishment of the JCBT to arbitrator Joan Gordon for resolution.

A board of trustees will govern the JCBT. Both the CBA and HEABC will each appoint an equal number of trustees and a chair. The trustees will have the authority to make changes to the benefit providers and the benefits plans.

The union representatives will have full control over any changes to Extended Health, Dental, Life Insurance and Accidental Death & Dismemberment. Changes to the Long-Term Disability (LTD) benefits will require consensus between the employer representatives and union representatives.

On April 1, 2016, all employers will obtain benefits through the JCBT. Based on an agreed to formula, employers will make monthly payments for benefits to the trust.

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To provide sufficient funding for reasonably anticipated benefit costs, the tentative agreement provides three levels of security:

- The employers will increase their base funding to the trust by an amount equal to the percentage wage increases in each year of the collective agreement.
- HEABC will pay \$2.4 million to the trust over the term of the collective agreement to provide for reasonably anticipated benefits costs.
- If there are any increased costs due to increased LTD utilization, the employers will pay the first two per cent of these increases. The JCBT will be responsible for increased utilization costs over two per cent and up to four per cent. The trust and the employers will share equally the increased utilization costs above four per cent.

The tentative agreement contains two additional provisions to further increase security:

- The CBA's joint participation in the Enhanced Disability Management Program (EDMP) is designed to assist ill and injured workers to recover their health and return to work sooner. This will help stabilize LTD utilization.
- An additional \$1.5 million will be added to the fund over the term of the agreement and the employer will pay \$500,000 annually hereafter as a comparability increase. This is intended to provide increased security against benefit cost increases after 2019.

Based on this funding model, and taking into account reasonably anticipated benefits costs, benefits professionals confirm that the JCBT will have more than 100 per cent of the funds necessary to pay for benefits.

The details of the agreement to form the JCBT and the details of the governance and funding for the trust are found at Appendix B of the settlement framework.

Enhanced Disability Management Program

In the last round of bargaining, we agreed to establish and participate in the Enhanced Disability Management Program (EDMP). This program is designed to assist ill or injured members in obtaining timely medical assistance and in returning to work. HEABC has agreed to increase funding for this program from \$408,000 annually to \$816,000 annually by April 1, 2017; this additional funding will assist our union to participate fully in this program.

Other proposed changes:

- The tentative agreement provides for the establishment of a committee to review the current shift premiums. The shift premiums in this sector fall far short of those paid in the facilities subsector.

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- The employer will be required to notify the union within three business days when a member has been disciplined or dismissed. The previous notice period was five days.
- Members will now earn seniority while on sick leave – this is true whether or not they are being paid for the sick leave. These amendments are contained in Article 11.1 and Appendix 2 of the framework agreement.
- Members will be paid for all hours worked when the hours of work change due to a shift from standard to daylight savings time and vice-versa. All hours will be at straight time rates of pay.
- A review of the administrative series benchmarks, starting with AS1 through 6, will commence during the term of this collective agreement. The CBA and the employer will also investigate the need to establish a benchmark for the positions of Medical Office Assistant and the Rehabilitation Assistant. A joint working committee will be formed within 30 days of ratification to commence this important work.
- We have agreed that the list of employers found at Appendix 1 in the collective agreement may be at variance with the list issued by the B.C. Labour Relations Board. This change will reduce the length of time it takes to produce the collective agreement.
- Classification referee Rod Germaine has retired, and we have agreed that arbitrator Judi Korbin will replace him.
- The employer has agreed that unresolved administrative issues related to LTD claims will be referred to the claims adjudication committee for resolution. If the issue remains unresolved, it will be referred to the bargaining principals for resolution. This will assist in expediting the resolution of LTD appeals.

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