





**Active Medical Preserved**



**Pension Preserved**



**Retiree Medical Secured**



**Across the Board Raises**



**No Local Bargaining**



**By taking  
action  
together  
we did it!**

# Active Employee Medical and Dental

	What you pay now	What management proposed	Under This TA
Office Visit	\$5 copay	\$20 copay	\$5
Emergency	\$5 copay	\$100 copay	\$50
Inpatient	0	\$100 a day	0
Rx	\$5 to 50% brand (30 days) – max \$25 (Retail) \$10 to 50% (90/100 days) – max \$25 (Mail order)	\$10/\$15 \$20/\$30	\$5 to 50% brand (30 days) – max \$25 (Retail) \$10 to 50% (90/100 days) – max \$25 (Mail order)
Vision	\$5 copay for exam \$150 every 24 months	No change	\$5 copay for exam \$150 every 24 months
Mental Health	\$5 copay Outpatient 0 Inpatient	No Change	\$5 copay Outpatient 0 Inpatient
Dental	No Annual Max	All other regions \$1500 Max	No Annual Max
Orthodontia	All costs	None	\$1500 per child

# Active Employee Medical and Dental

## Active medical preserved

- If you do not pay a premium share, nothing changes

## Co-pays

- Office visit, pharmacy, other co-pays remain the same
- ER co-pays (\$50 Northwest)

## Active dental preserved and improved

- Lifetime orthodontia **increased** to \$1,500 (per child)

# Pensions and Retiree Medical

- ✓ **Pensions fully preserved—no change**
- ✓ **401(k) match preserved—no change**
- ✓ **Retiree Medical Preserved and Improved**

# Economics: Retiree Medical

## **Our Principles for Retiree Medical**

- Protect current and future retirees
- We will have the best plan in KP
- No need to provide additional liability relief to KP
- Craft a long-term solution now; avoid re-bargaining this issue every round

# 2012 National Agreement

- Preserved retiree medical plans and capped KP's cost-share
- In NW, KP's cost-share would be "capped" at 70% of the 2015 premium - \$315
- Capped plan was never meant to go into effect and would have to be renegotiated
- Only intended to limit Kaiser's liability for retirement benefits

# 2015 Tentative Agreement

## **New Plan Design: Kaiser Permanente Senior Advantage/Health Reimbursement Account (KPSA/HRA)**

- Starting Jan. 1, 2017, retirees move into an individual Kaiser Permanente Senior Advantage Plan
- Premiums covered by a premium subsidy of \$33, to increase at 3% per year
- Co-pays and residual monthly premiums covered by a Health Retirement Account, credited with \$2,000 per year of service
- Re-load of \$10,000 at age 85



# Current Group vs. Individual KPSA

Benefit	Description	Current Retiree Medical Plan	KPSA (Oregon, basic plan)
<b>Medical</b>			
Monthly Premium		30% Premium Cost-Share	\$41
Max OOP		\$600 individual; \$1,200 family	\$4,900
DOV		\$5	\$30 primary/\$35 specialist
ER		\$5	\$65 (copay waved if hospitalized)
Urgent Care		\$5	\$35
Inpatient Hospital		100% covered	\$275 (days 1-6 ) 100% covered after 6 <sup>th</sup> day
Outpatient Surgery		\$5	\$250
Skilled Nursing		100% covered	\$0 per day (days 1-20); \$50 per day (days 21-100)
Lab, X-Ray, Imaging		100% covered	\$0 Lab; \$15 X-Ray; \$175 MRI, PET, CT Scans
Durable Medical Equipment		80% covered; 100% covered for Medicare retirees	20% coinsurance
Ambulance		100% covered	\$200
Home Health and Hospice			100% covered for care (but may have some drug and respite care costs)
<b>Part D</b>			
Initial (Up to \$2,960) - Generic/Brand/Specialty		\$5 (\$3 for SEIU)	\$5/\$45/33% coinsurance
Gap (Up to \$4,700) - Generic/Brand/Specialty		\$5 (\$3 for SEIU)	\$5/45% coinsurance/45% coinsurance
Catastrophic - Generic/Brand/Specialty		\$5 (\$3 for SEIU)	\$5/\$15/\$15
Mail Order			2 copays for 90 day supply
<b>Vision</b>			
Eye Exam		\$5	\$35
Eye Wear		\$150 every two years	Not covered

\$33 subsidy available

HRA to cover co-pays and premiums

# Salaried and Non-Union Retiree Medical

- Also has a KPSA/HRA design, effective Jan. 1, 2017
- HRA with credit of \$1,000 per year of service
- Lower premium subsidy in many regions and no premium subsidy for those hired after Jan. 1, 2014

# C.N.A. Retiree Medical

- Capped post-retirement medical plan
- Retirees and spouse/domestic partner pay a monthly premium starting 2017
- \$6,200 HRA available beginning 2027 with restricted use
- Active employees and all retirees, including current, have higher co-pays starting 2017

# Economics: Retiree medical preserved

- Common design across the regions
- Long-term solution protects current and future retirees
- Improvements for retirees in ROCs effective 2017
- All grandfathered provisions remain in place
- Health Reimbursement Accounts will cover most out-of-pocket expenses for retirees, spouses and dependents
- Monthly premium subsidies for Medicare Advantage plans covering retirees and spouses

# Resources

## **National Human Resources Service Center**

1-877-457-4772

[www.ibenefitcenter.com/kp](http://www.ibenefitcenter.com/kp)



Questions?

## Better accountability to partnership

- Improved dispute resolution process
- Improved training for front-line leaders on partnership (management and labor)—range of learning methods
- Adequate and consistent funding to the Labor Management Partnership trust fund
- **Scorecard to track state of all aspects of partnership by region and facility**

# Partnership: UBT Performance Targets

## Stronger UBTs

- **Face-to-face assessments to ensure accurate ratings**
- UBTs incorporate Total Health and Workplace Safety—bring health and safety to frontline
- Increased support for sponsorship
- New Path to Performance targets through 2019 for Level 4 and 5 teams
- UBTs of Future program to address Level 6 and beyond, cross-department/cross-function teams, super UBTs, inter-medical center teams, etc.

Year	UBT Levels 4 & 5
2016	75%
2017	80%
2018	85%
2019	87%



# Improve Total Health Incentive Plan (THIP)

Joint expert team to analyze current program; create 2016 THIP

One Gate:  
\$150 payout for screenings\*

Second payout:  
\$350 for health outcomes on

- A1c
- BMI
- Blood Pressure
- Smoking

\* THA being phased out and remains in THIP for 2015 to be paid in 2016; Biometric screenings are now: BMI, A1c, Blood Pressure, Cancer Screenings and Smoking

# Total Health and Workplace Safety

## Reduce workplace injuries and violence and their impact

- Jointly benchmark workplace safety investments and provide guidelines for regional and local implementation
- Enhance tracking of safety hazards
- Pursue proactive ergonomics program
- Jointly prepare for emergencies
- Organization-wide workplace violence analysis; jointly address prevention
- Jointly evaluate the effectiveness and implementation of the IDM program with the goal of keeping people working

# Work of the Future

## Remove barriers to career development and mobility

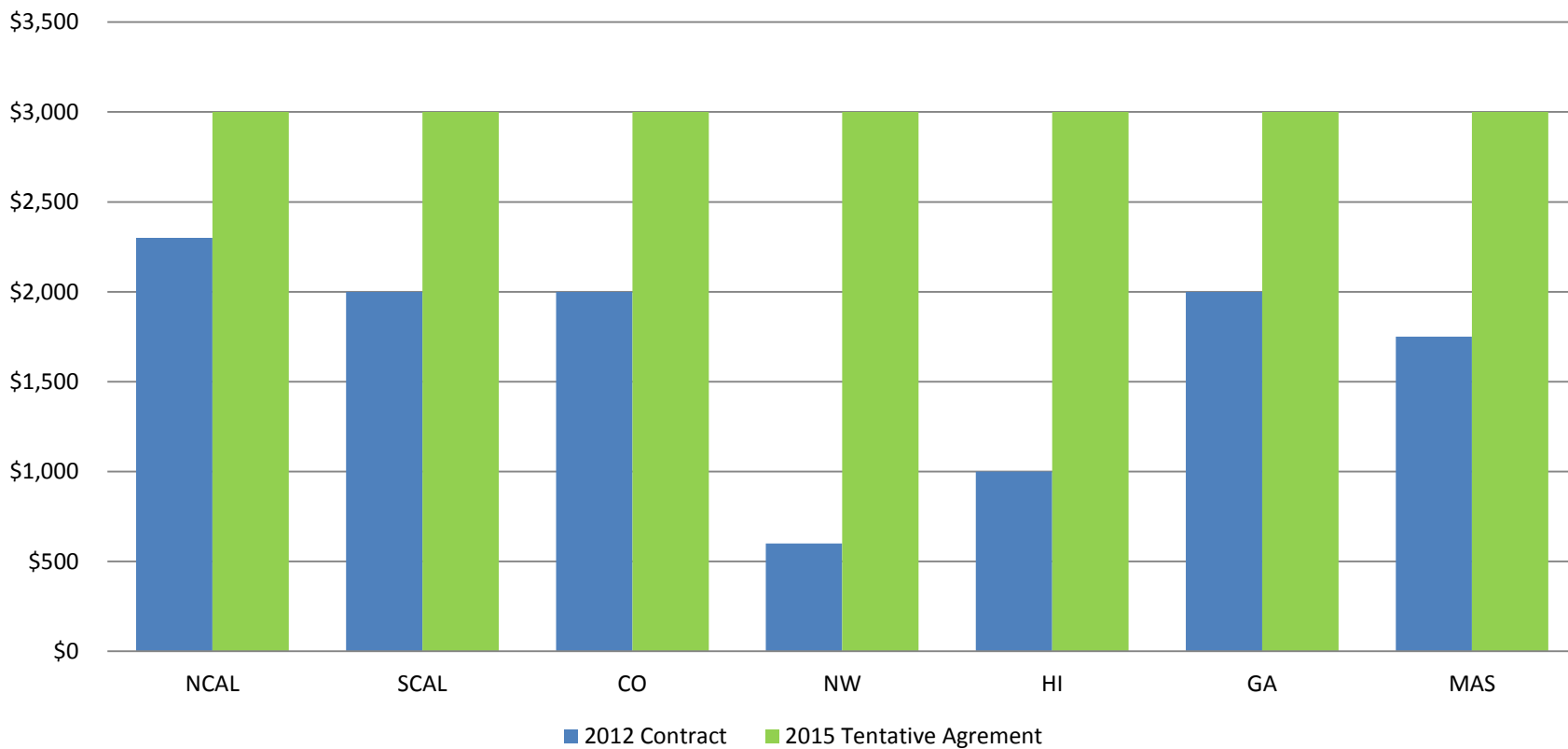
- Regions will work with unions to identify training opportunities to help employees meet minimum experience requirements
- Collaborative, transparent redeployment process
- Preceptor programs and mentorships
- Enhance opportunities for union career mobility with joint system to capture core competencies, skills, education, licensure, certification, and work experience

## More resources

- Ben Hudnall Trust Fund and SEIU-UHW Joint Employer Education Fund **increased by \$23.2 million** (33% increase)
- Plus an **additional \$1 million per year** to each fund to support and train employees going through redeployment
- **Tuition reimbursement raised to \$3,000 per year**, highest in KP—centrally administered to assist workers who have had to put up money in advance

# Tuition Reimbursement Way Up

## Tuition Reimbursement Benefits ROCs

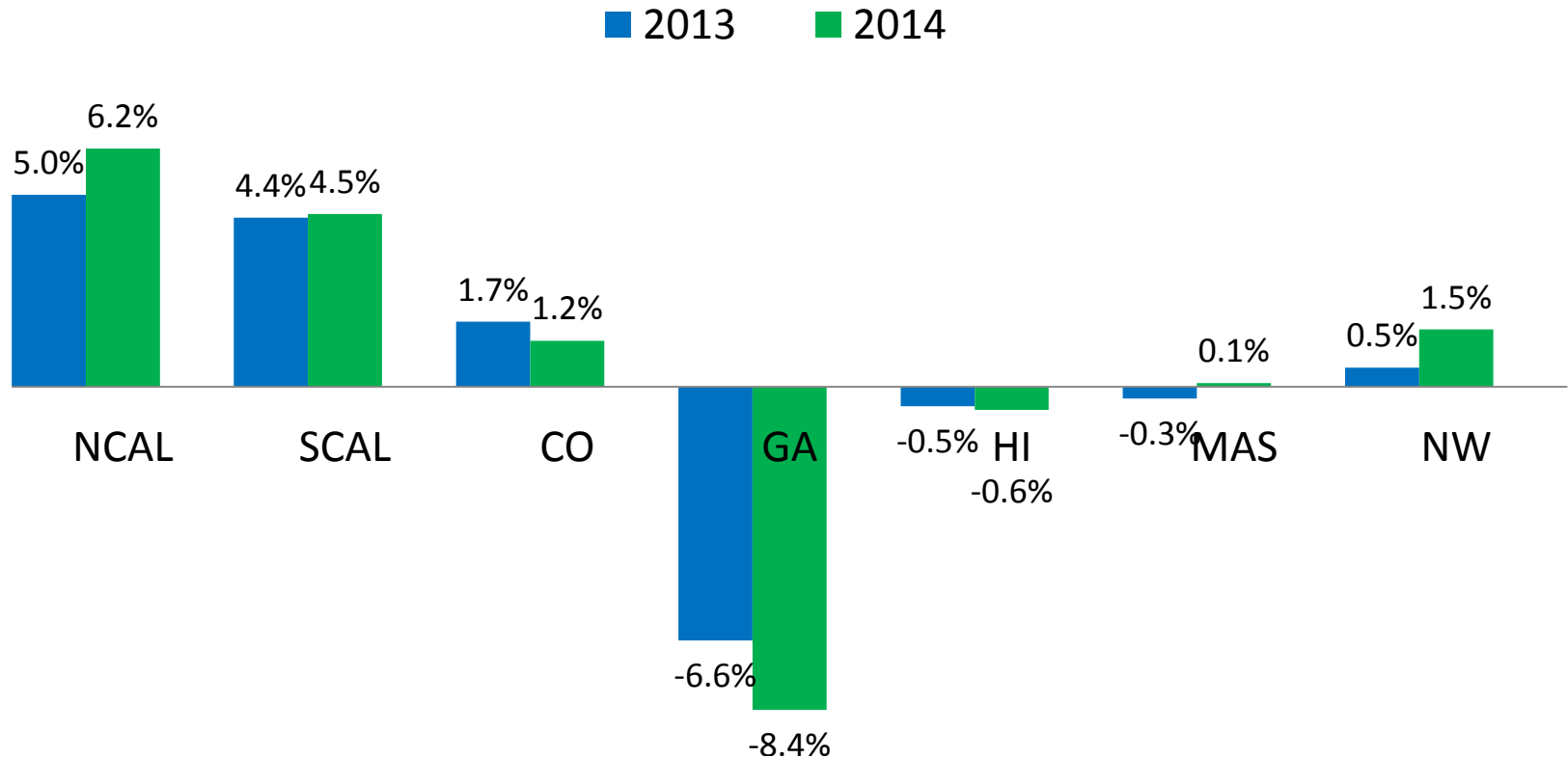


# Work of the Future

## **Fairness for part-timers, less registry**

- Systematic review for appropriate balance of full-time, part-time, per diem and on-call positions
- **SCAL and NW management will meet with union leaders to review and resolve issues related to travelers and registry**

# Operating Margins 2013-2014



	2009	2010	2011	2012	2013	2014
CO	3.1%	4.3%	1.0%	0.8%	1.7%	1.2%
GA	-0.5%	-12.1%	-4.2%	-6.0%	-6.6%	-8.4%
HI	-2.4%	-1.9%	2.8%	0.1%	-0.5%	-0.6%
MAS	-1.3%	-2.2%	-2.6%	-0.8%	-0.3%	0.1%
NW	2.2%	1.3%	0.8%	1.3%	0.5%	1.5%

# Wages

## Across-the-board wage increases on October 1 of each year

	Oct 1 2015	Oct 1 2016	Oct 1 2017	Sep 1 2018
ROCs	2%	2%	2%	1%

# Economics Summary:

- ✓ Pensions fully **preserved**
- ✓ 401(k) match **preserved**
- ✓ Retiree Medical **preserved and improved**
- ✓ Across the board **raises** of 7%
- ✓ Life insurance **increased** to \$50,000
- ✓ Education Fund **increased** by \$23.2 million (33% increase)
- ✓ **Additional** \$1 million per year to each education fund to support and train employees going through redeployment
- ✓ Tuition reimbursement **increased** to \$3,000 per year
- ✓ **New benefit** of \$1,500 lifetime max in Orthodontia per child



# Local Issues



## NO Local Bargaining



By taking  
action  
together  
we can take  
on our local  
issues!