

JANUARY 2014

Report to members on the proposed terms of settlement

COMMUNITY HEALTH BARGAINING ASSOCIATION



HEALTH SCIENCES ASSOCIATION

The union delivering modern health care

The HSA Board of Directors and your bargaining team believe the proposed terms of settlement represent the best deal that can be achieved.

We, therefore, recommend that you vote **YES** in favour of the proposed agreement.

For voting information, please check hsabc.org or contact your steward.

If you have any questions, call 604-439-0994, toll-free 1-800-663-2017 or email contract@hsabc.org.

Get more information at hsabc.org.

Community Health Bargaining Association reaches five-year agreement

The Community Health Bargaining Association (CBA) reached a tentative agreement in late November for the over 15,000 union members working in the community health sector across the province.

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

Several unions, including HSA and BCGEU, which is the lead union for Community Health, 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.

“This tentative agreement provides stability for the community health sector for the next five years and takes an important first step in bringing members’ wages and benefits in-line with other health care workers doing the same type of work,” HSA President Val Avery said.

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 the workers providing administrative support to other health care workers.

NEGOTIATING FRAMEWORK

The community health bargaining committee entered into discussions with HEABC in November.

The CBA was seeking an agreement that would address members’ priorities. At the outset the bargaining committee stated that a new collective agreement must contain real wage increases, it must address employment security, and there must be no cuts to benefits and no increase in benefit costs.

HEABC agreed to this basic framework and talks continued. On November 30, after 4 weeks of hard bargaining the Community Health bargaining committee was satisfied they had reached an agreement they could recommend to the members. The highlights of that agreement are found in this report and the full text of the settlement framework is on the HSA website at www.hsabc.org.

Your HSA Board of Directors supports your bargaining committee's recommendation that members vote YES and ratify the tentative agreement.

Mail-in ballots are included in this package and the votes will be counted on January 31, 2014.

HIGHLIGHTS OF THE PROPOSED SETTLEMENT

This tentative agreement contains several improvements:

- Wage increases which total 5.5 per cent over five years for all members including members whose wages were red-circled
- Economic Stability Dividend in four of the five years providing the possibility for further wage increases dependent on the performance of BC's economy
- 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	1.0%
February 1, 2016	Economic Stability Dividend
April 1, 2016	.5%
February 1, 2017	1.0% + Economic Stability Dividend
April 1, 2017	.5%
February 1, 2018	1.0% + Economic Stability Dividend
April 1, 2018	.5%
February 1, 2019	1.0% + Economic Stability Dividend

ECONOMIC STABILITY DIVIDEND

A unique feature of this round of bargaining is the Economic Stability Dividend (ESD), approved by government for the current mandate of bargaining in all seven sectors within the jurisdiction of the Public Sector Employers' Council. These sectors include direct government, health, social services, crown corporations, universities, K to 12 and other post-secondary facilities.

It is the intention of government to try and align additional pay increases with positive budget variance. Each budget makes an assumption of growth in real gross domestic product (GDP) and better than expected economic growth would allow the government to provide additional pay increases. GDP is the value of goods and services produced. Real GDP measures the value of economic activity which exceeds inflation (currently at 0.9%). This is a standard measure used by economists.

The BC Budget Transparency and Accountability Act s4 requires the government to appoint at least 10 prominent economists to the Economic Forecast Council for the purpose of providing a forecast of real economic growth in the forthcoming calendar year. These forecasts are then averaged to provide a projected real GDP. This projection of real GDP is then plugged into the budget to help determine projected revenue for the upcoming budget because there is a correlation between growth in real GDP and growth in revenues.

Statistics Canada, 21 months later, will release its measurement of real GDP by province and region. If the measurement of BC's real GDP is greater than the average forecast of the Economic Forecast Council which was announced in the budget, half of the positive variance is paid as a general wage increase to the bargaining unit. Government selected this method because a positive variance indicates increased ability to pay. Additionally, at a more fundamental level, it might align the interest of public sector employees with economic growth and budget surpluses.

This method has been back checked and would have produced a general wage increase in six of the last 12 years. These general wage increases would have varied from 0.04% to 1.44%. The cumulative total over the 12 years would have been 2.93% compounded.

The charts below show a comparison of real GDP forecasts and subsequent real GDP measurements (chart 1), and a bar chart to illustrate the methodology (Chart 2). There are no guarantees of any general wage increase but this method could generate some increases for the second, third, fourth and fifth years of our agreement.

2014 Economic Stability Mandate

Growth sharing would have occurred 6 out of the last 12 years.

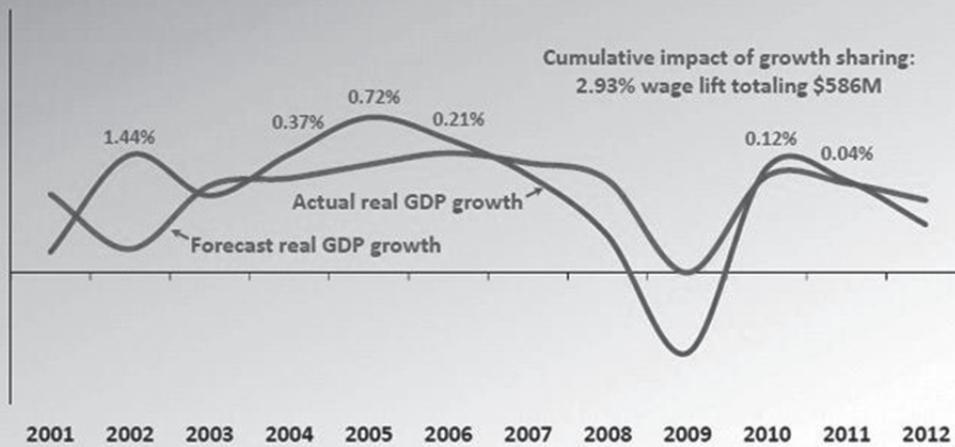


CHART 1

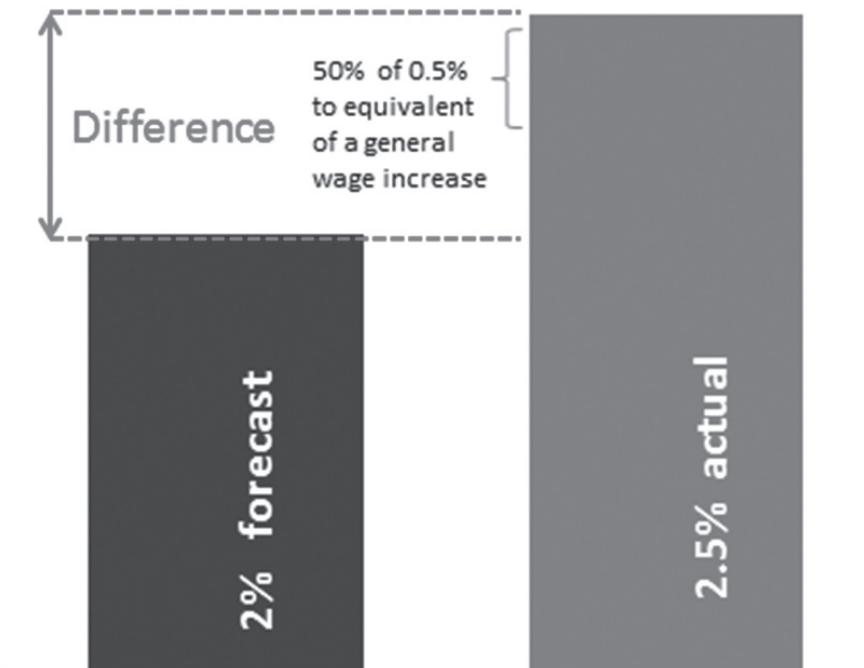


CHART 2

WAGE COMPARABILITY ADJUSTMENTS

The new agreement provides for wage comparability adjustments totaling 2 percent 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 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.

WAGE COMPARABILITY ADJUSTMENT RATES

1.0%	April 1, 2016
.5%	April 1, 2017
.5%	April 1, 2018.

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 address problems some members encountered when moving to the Pharmacare tie-in. The improvements to benefits are detailed at the end of this report.

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 5-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

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 and 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 union 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.

We have agreed that 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 upon formula, employers will make monthly payments for benefits to the trust.

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 2 per cent of these increases. The JCBT will be responsible for increased utilization costs over 2 per cent and up to 4 per cent. The trust and the employers will share equally the increased utilization costs above 4 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 recover their health and return to work sooner. This will help to 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 on the BCGEU website.

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.
- 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 BC 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.

How will your benefits change?

Changes to community health benefits as a result of moving to the facilities plan:

(effective October 1, 2015)

FOR ALL MEMBERS:

- The pre-existing condition exclusion will be removed from the Long Term Disability (LTD) plan.
- Members on LTD who accept an offer under the Early Retirement Incentive Benefit program will be able to choose to maintain their Extended Health and Dental benefits to age 65. Premiums will be shared 50/50 provided the employee pays her or his portion of the premium in advance, on a monthly basis.
- Prometrium will be added as an exceptional covered prescription drug.
- Wigs and hairpieces will be reimbursed at 80% of the lifetime maximum.
- Medical Referral transportation benefits will be added and will be unlimited for a beneficiary's lifetime.
- PharmaCare's Low Cost Alternative (LCA) and Reference Based Drug (RBD) Programs will apply
 - » LCA: reimbursement is based on the lowest cost generic drug. If you choose to use the brand name you are reimbursed only up to the LCA price. If you cannot take a low-cost alternative because you are allergic to one of its non-medicinal ingredients, your health care practitioner can request special authority coverage for another drug in the category.
 - » RBD: applies to 5 therapeutic classes of drugs (about 20 specific drugs). Members are reimbursed based on the most cost-effective drug within the class (reference drug). The RBD currently applies to five classes of drugs: Histamine 2 receptor Blockers (H2 Blockers), Non-Steroidal Anti-inflammatory drugs (NSAIDS), Nitrates, Angiotensin Converting Enzyme Inhibitors (ACE inhibitors), and Dihydropyridine Calcium Channel Blockers (Dihydropyridine CCBs). If you cannot take the reference drug because you are allergic to one of its non-medicinal ingredients, your health care practitioner can request Special Authority coverage for another drug in the category.

What won't change as a result of moving to the facilities plan:

- The effective date for benefits will remain the first day of the month following a member passing probation.
- The reimbursable amount for prescription dispensing fees will continue to be \$10 per prescription or the maximum allowed by PharmaCare, whichever is greater.
- The dental plan will remain unchanged, including the nine-month recall period.
- Massage therapy will remain unchanged with an annual maximum of \$1,000, reimbursed at 80% of the annual maximum.
- All other provisions under the Health & Welfare plans are currently equivalent to those provided to those members covered by the Facilities Subsector Collective agreement.
- All benefit levels contained in the Superior Benefits Memorandum, including STIIP and Extended Health deductibles of less than \$100 remain unchanged.

Immediate changes to benefits:

(effective October 1, 2013)

MEMBERS WITH SUPERIOR BENEFITS WHO MOVED TO THE PHARMACARE TIE-IN IN THE 2012 - 2014 COLLECTIVE AGREEMENT WILL RECEIVE THE FOLLOWING NEW BENEFITS:

- 50% coverage for prescription drugs not covered by PharmaCare.
- For prescription drugs requiring Special Authority:
 - » If, on or after October 1, 2013, a member receives a special authority after paying 50% of the cost of a prescription, they will be reimbursed the portion of the 50% upon submission of the approval documentation and the receipt to the benefit provider (e.g. Blue Cross) – to a total of 80% of the cost of the prescription.
 - » If, on or after October 1, 2013, a member paid 100% of a prescription cost for a drug requiring Special Authority they will receive a reimbursement of 80% upon submission of the Special Authority approval documentation and the receipt

Note: superior benefits memoranda of agreement remain in effect including lower deductibles for health & welfare benefits and STIIP provisions.



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HSA's Board of Directors is elected by members to run HSA between Annual Conventions. Members should feel free to contact them with any concerns.

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