

2014 Collective Bargaining in the Health Sector

Renewal of the 2012-2014 Health Science Professionals (HSP) Collective Agreement

Tentative Agreement

Between

Health Science Professionals Bargaining Association ("HSPBA")

And

The Health Employers Association of British Columbia ("HEABC")

HSPBA and HEABC agree that the following terms constitute a tentative agreement for renewal of the collective agreement scheduled to expire on March 31, 2014, and are subject to ratification by HSPBA and HEABC:

Term

The term of the collective agreement is April 1, 2014 to March 31, 2019.

Wages

Wage rates will increase starting the first pay period after the following dates and at the respective rates:

- | | |
|--------------------|------------------------------------|
| ▪ 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 |

Wages may be increased if net total compensation in a comparable collective agreement settlement exceeds the net total compensation increases agreed to in this settlement agreement consistent with Appendix A, "Compensation Bargaining Comparability".

Economic Stability Dividend

Members of the HSPBA will be eligible for general wage increases from the Economic Stability Dividend as described in Appendix B, "Economic Stability Dividend".

Health and Welfare Benefits

The parties agree to the new structure of arrangements for providing health and welfare benefits for HSPBA members as described in Appendix C, "Health and Welfare Benefits".

Classification Committee Continued

The Classification Committee established under the 2012/2014 collective agreement is continued.

EDMP Representatives

The employer agrees to increase the number of HSPBA Enhanced Disability Management Representatives to 8.25, one of whom will be an EDMP Coordinator, as described in Appendix D, "EDMP Representatives".

Recruitment and Retention Committee

The parties agree to establish a Recruitment and Retention Committee as described in Appendix E, "Recruitment and Retention Committee".

Pharmacare Tie-In

The parties agree to make amendments to Pharmacare tie-in in accordance with Appendix F, "Pharmacare Tie-In".

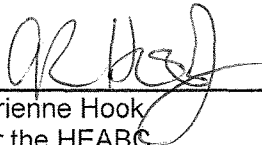
Satisfaction of Annualized Savings

HEABC and the HSPBA agree that the Memorandum of Settlement satisfies the obligation of HSPBA to achieve \$3.8 million in annualized savings pursuant to the Letter of Agreement between HSPBA and HEABC dated January 31, 2013.

Dates

All provisions come into effect 30 days after ratification, unless otherwise specified.

Agreed to this 8th day of November, 2013 at Vancouver, BC.



Adrienne Hook
For the HEABC



Jeanne Meyers
For the HSPBA

APPENDIX A

LETTER OF AGREEMENT

Between

HEALTH EMPLOYERS ASSOCIATION OF BC ("HEABC")

And

HEALTH SCIENCE PROFESSIONALS BARGAINING ASSOCIATION OF BC ("HSPBA")

Re **COMPENSATION BARGAINING COMPARABILITY**

1. If the net total compensation increase in the 2014 collective bargaining settlement between the Public Service Agency and the BCGEU or HEABC and the NBA exceeds the net total compensation increase in the HSPBA settlement for the corresponding period, wage rates in the HSPBA collective agreement will be adjusted by an across-the-board percentage increase so that the net total compensation increase of the HSPBA settlement is equal to the net total compensation increase of the higher of the BCGEU or NBA settlements.
2. "Net total compensation increase" means in each instance the amount calculated as such by the PSEC Secretariat and reported by the Secretariat to the Minister of Finance.
3. For clarity, it is understood that the PSEC Secretariat's calculation and reporting of a net total compensation increase to the Minister of Finance:
 - (a) Will not include wage comparability adjustments, labour market adjustments approved by the PSEC Secretariat or adjustments to include LPNs within the NBA collective agreement; and
 - (b) Will be net of the value of any change to their collective agreements which were agreed by the BCGEU, the NBA or the HSPBA (as the case may be) to obtain a compensation adjustment.

APPENDIX B

LETTER OF AGREEMENT

Between

HEALTH EMPLOYERS ASSOCIATION OF BC ("HEABC")

And

HEALTH SCIENCE PROFESSIONALS BARGAINING ASSOCIATION OF BC ("HSPBA")

Re ECONOMIC STABILITY DIVIDEND

Definitions

1. In this Letter of Agreement:

"Collective agreement year" means each twelve (12) month period commencing on the first day of the renewed collective agreement. For example, the collective agreement year for a collective agreement that commences on April 1, 2014 is April 1, 2014 to March 31, 2015 and each period from April 1 to March 31 for the term of the collective agreement.

"Economic Forecast Council" means the Economic Forecast Council appointed under s. 4 of the *Budget Transparency and Accountability Act*, [S.B.C. 2000] c. 23;

"Forecast GDP" means the average forecast for British Columbia's real GDP growth made by the Economic Forecast Council and as reported in the annual February budget of the government;

"Fiscal year" means the fiscal year of the government as defined in the *Financial Administration Act* [1996 S.B.C.] c. 138 as 'the period from April 1 in one year to March 31 in the next year';

"Calendar year" Is a twelve (12) month period starting January 1st and ending December 31st of the same year based upon the Gregorian calendar.

"GDP" or "Gross Domestic Product" for the purposes of this LOA means the expenditure side value of all goods and services produced in British Columbia for a given year as stated in the BC Economic Accounts;

"GWI" or "General Wage Increase" means a general wage increase resulting from the formula set out in this LOA and applied as a percentage increase to all wage rates in the collective agreement on the first pay day after the commencement of the eleventh (11th) month in a collective agreement year;

"Real GDP" means the GDP for the previous fiscal year expressed in constant dollars and adjusted for inflation produced by Statistics Canada's Provincial and Territorial Gross Domestic Product by Income and by Expenditure Accounts (also known as the provincial and territorial economic accounts) and published as "Real Gross Domestic Product at Market Prices" currently in November of each year.

The Economic Stability Dividend

2. The Economic Stability Dividend shares the benefits of economic growth between employees in the public sector and the Province contingent on growth in BC's real GDP.
3. Employees will receive a general wage increase (GWI) equal to one-half (1/2) of any percentage gain in real GDP above the forecast of the Economic Forecast Council for the relevant calendar year.
4. For greater clarity and as an example only, if real GDP were one percent (1%) above forecast real GDP then employees would be entitled to a GWI of one-half of one percent (0.5%).

Annual Calculation and publication of the Economic Stability Dividend

5. The Economic Stability Dividend will be calculated on an annual basis by the Minister of Finance for each collective agreement year from 2015/16 to 2018/2019 and published through the PSEC Secretariat.
6. The timing in each calendar year will be as follows:
 - (i) February Budget – Forecast GDP for the upcoming calendar year;
 - (ii) November of the following calendar year – Real GDP published for the previous calendar year;
 - (iii) November - Calculation by the Minister of Finance of fifty percent (50%) of the difference between the Forecast GDP and the Real GDP for the previous calendar year;
 - (iv) Advice from the PSEC Secretariat to employers' associations, employers and unions of the percentage allowable General Wage Increase, if any, for each bargaining unit or group with authorization to employers to implement the Economic Growth Dividend.
7. For greater clarity and as an example only:

For collective agreement year 3 (2016/17):

- (i) February 2015 – Forecast GDP for calendar 2015;
- (ii) November 2016 – Real GDP published for calendar 2015;
- (iii) November 2016 - Calculation of the fifty percent (50%) of the difference between the 2015 Forecast GDP and the 2015 Real GDP by the Minister of Finance through the PSEC Secretariat;
- (iv) Direction from the PSEC Secretariat to employers' associations, employers and unions of the percentage allowable General Wage Increase, if any, for each bargaining unit or group with authorization to employers to implement the Economic Growth Dividend.

Availability of the Economic Stability Dividend

8. The Economic Stability Dividend will be provided for each of the following collective agreement years: 2015/16 (based on 2014 GDP); 2016/17 (based on 2015 GDP); 2017/18 (based on 2016 GDP); and, 2018/19 (based on 2017 GDP).

Allowable Method of Payment of the Economic Stability Dividend

9. Employers must apply the Economic Stability Dividend as a percentage increase only on collective agreements wage rates and for no other purpose or form.

APPENDIX C

MEMORANDUM OF UNDERSTANDING

Between:

HEALTH EMPLOYERS ASSOCIATION OF BC ("HEABC")

And:

HEALTH SCIENCE PROFESSIONALS BARGAINING ASSOCIATION ("HSPBA")

Re: Health and Welfare Benefits

Definitions:

1. In this Memorandum:

"Benefits" means: LTD, AD&D, EHC, Dental and Life;

"Employer" means any employer certified to the HSPBA bargaining unit;

"Joint Health Science Benefits Trust ("JHSBT") means a trust formed by HEABC and the HSPBA as required by this Memorandum.

Formation of the JHSBT

2. The Parties agree to establish a working group ("Working Group") within thirty (30) days of ratification of the collective agreement to create the JHSBT.
3. The JHSBT shall be established by no later than March 31, 2015 unless agreed otherwise by the Parties.
4. Upon formation of the Working Group, HEABC will provide or cause the Health Benefits Trust ("HBT") and the HBT's contracted benefit providers to provide directly to HEABC or the HSPBA, without limitation, all data reasonably requested by either the HEABC or the HSPBA and their respective designated advisors for purposes of analyzing the future provision by the JHSBT of benefits currently provided by the HBT. For purposes of clarity, such data will include all data necessary to perform an actuarial valuation of the HBT or the JHSBT.
5. HEABC, HSPBA and their respective members on the Working Committee will maintain strict confidentiality in respect of the data.
6. It is a condition of this agreement that HEABC shall pay \$400,000 to HSPBA over the term of this agreement for costs incurred by the HSPBA in regard to their participation in the Working Committee and the establishment and formation of the JHSBT. Any excess costs incurred by the HSPBA will be funded by the JHSBT.

Co-governance of the trust

7. The JHSBT will be governed by a board of trustees with an equal number of trustees appointed by each of HEABC and the HSPBA. The HSPBA shall be responsible for determining the processes to select and appoint the trustees to be appointed by HSPBA.

Benefit funding

8. The Parties agree that the current benefits provided by the collective agreement shall be maintained until April 1, 2016.
9. The Parties, through the Working Group and with reference to paragraph four above, shall negotiate an agreed-upon benefits funding model expressed as a fixed percentage of regular straight-time payroll and payable by the Employer to the JHSBT ("Benefits Funding"). The

Benefits Funding will be transferred to, and be administered by, the JHSBT commencing April 1, 2016.

10. For clarity, the Parties, through the Working Group, will agree upon a reference period to determine the fixed percentage using the following formula: actual Employer cost of benefits divided by total straight time payroll.

11. The Parties agree that the percentage determined for Benefits Funding pursuant to paragraph 9 shall remain fixed for the period April 1, 2016 to March 31, 2019 and will be subject to renegotiation under any renewal collective agreement.

12. HEABC will ensure interim funding as necessary for the JHSBT between April 1, 2016 and October 1, 2017. The Working Group may enter into negotiations to effect an asset and liability transfer from HBT.

13. The HEABC will indemnify and save harmless the HSPBA, its constituent unions, and the JHSBT from any and all claims from HBT, the HEABC or the Government of the Province of British Columbia, including any exit levies from HBT or any other person or entity.

14. In the event the Parties are unable to reach agreement on the Benefits Funding by December 31, 2015, the matter will be determined by binding decision of Vince Ready.

Employer LTD risk obligation

15. (a) "Wage increases" in this clause mean general wage increases, comparability wage increases and Economic Stability Dividend increases.

(b) If the cost of LTD benefits as a result of utilization exceeds the growth in LTD costs resulting from wage increases:

(i) For April 1, 2017 to March 31, 2018, the increase above wage increases over the period from April 1, 2016 to March 31, 2017;

(ii) For April 1, 2018 to March 31, 2019, the increase above wage increases over the period from April 1, 2017 to March 31, 2018;

(a) Health employers will pay to the JHSBT an amount equal to the first two-percent (2.0%) of the increased utilization cost of LTD benefits and fifty percent (50%) of the costs resulting from increased utilization that exceed four percent (4%).

Benefit procurement

16. Until March 31, 2017, the JHSBT must obtain coverage through the Healthcare Benefit Trust and thereafter the JHSBT may obtain coverage through alternative providers.

Benefits

17. Subject to available funding, the trustees of the JHSBT can redesign the benefits.

Discretionary appointment to the HBT Board

18. Subject to the approval of the HEABC as settlors of the HBT, the trustees of the JHSBT may designate one HEABC trustee and one HSPBA trustee to serve as trustees of the Healthcare Benefit Trust.

Dispute Resolution

19. HEABC and HSPBA agree that any issue whatsoever relating to the interpretation, application or alleged violation of this Memorandum shall be remitted to Vince Ready for binding determination. For clarity, Mr. Ready's jurisdiction includes any disputes arising out of the Working Group up to and including the date on which the JHSBT is fully operational.

APPENDIX D

MEMORANDUM OF UNDERSTANDING

Between:

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA ("HEABC")

And:

HEALTH SCIENCE PROFESSIONALS BARGAINING ASSOCIATION OF BC ("HSPBA")

Re EDMP REPRESENTATIVES

The parties agree to increase EDMP Representatives to a maximum of 8.25 FTE, including one EDMP Coordinator.

The Employer will pay mileage as set out in Article 26.01 where the EDMP Representative's/Coordinator's attendance is required at a meeting and where video-conference/teleconference is not possible or appropriate.

Where appropriate, EDMP Representatives will be included in education provided to the Employer's disability management staff.

APPENDIX E

MEMORANDUM OF UNDERSTANDING

Between:

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA ("HEABC")

And:

HEALTH SCIENCE PROFESSIONALS BARGAINING ASSOCIATION OF BC
("THE HSPBA")

Re RECRUITMENT AND RETENTION COMMITTEE

1. The parties agree to identify and address recruitment and retention challenges of some of the HSPBA professions that may experience skill shortages and/or well as recruitment and retention issues.
2. The parties further agree that good compensation practices suggest that wage adjustment is a final resort for most employers that is used only when and if other recruitment and retention initiatives have been attempted. Put differently, adjusting wages is ordinarily an appropriate response only when a recruitment and retention issue is solely a wage issue.
3. The parties recognize the need to foster a workplace that retains and attracts health science professionals required to provide care delivery in BC, particularly in light of the generational transition occurring in our workplaces.
4. The parties agree to establish a recruitment and retention committee that will:
 - Be comprised of no more than three representatives from HEABC and its member organizations and no more than three representatives from the HSPBA.
 - Each party will bear its own costs of participation in the committee.
5. The Committee will be responsible for:
 - o Considering initiatives to address concerns about professions which are identified as having retention and recruitment issues (e.g., workplace or academic);
 - o Consider initiatives to address employee engagement as a means of addressing identified recruitment and retention issues;
 - o Where appropriate, developing a joint proposal requesting a labour market adjustment

- o Submitting the joint proposal to the Ministry of Health (MOH) and Public Sector Employer Counsel (PSEC) for approval. A proposal must:
 - Demonstrate that the issue is wage-related;
 - Show that other options to mitigate recruitment and retention pressures have been considered;
 - Provide relevant market data that specifically includes employers likely to recruit from the public sector employer, and employers that the public sector employer has recruited from;
 - Identify which occupations and the number of employees that will be affected by the adjustment;
 - Identify options for the size of the market adjustments, and identify the risks associated with each of the options; and
 - Identify the preferred option and strategies to manage any risks associated with that option.

6. No proposal for a labour market adjustment can be implemented without the express written approval of the Ministry of Health and the Public Sector Employers Council Secretariat.

APPENDIX F

MEMORANDUM OF UNDERSTANDING

Between:

HEALTH EMPLOYERS ASSOCIATION OF BRITISH COLUMBIA ("HEABC")

And:

HEALTH SCIENCE PROFESSIONALS BARGAINING ASSOCIATION
("THE HSPBA")

Re PHARMACARE TIE-IN

1. In this Memorandum, "eligible beneficiary" means an employee enrolled in the benefit plans or her or his enrolled dependent as provided for under the collective agreement.
2. In the 2012/14 collective agreement, HEABC and the HSPBA agreed to implement a relationship between benefit plan funding of prescription drugs generally called the "PharmaCare tie-in".
3. The cost of prescription medications listed on the PharmaCare formulary will be covered 100%. In addition, the parties have agreed to adjust the PharmaCare tie-in so that:
 - (a) an eligible beneficiary pays fifty percent (50%) of the cost of prescription drugs that are not included within the PharmaCare formulary. The other fifty percent (50%) will be paid by the Extended Health Care Plan.

- (b) an eligible beneficiary pays fifty percent (50%) of the cost of prescription drugs that require PharmaCare Special Authority approval. In the event Special Authority approval is received after the purchase of prescription medication, upon submission of Special Authority approval documentation to the benefit provider, the beneficiary will receive retroactive reimbursement of the unpaid 50%.
- (c) when an eligible beneficiary applies for, and receives PharmaCare Special Authority approval and submits a copy of the approval documentation to the benefit provider prior to purchasing prescription medication, the beneficiary will receive 100% coverage of prescription cost for the duration of the Special Authority.

This cost sharing arrangement will be effective retroactive to September 1, 2013.

- 5. This cost-sharing arrangement will be included within the responsibilities and funding of the Joint Health Sciences Benefit Trust and will continue under the Trust unless or until the trustees of the JHSBT make amendments or until amended through subsequent collective bargaining.