2019

NATIONAL AGREEMENT

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LMP LABOR MANAGEMENT PARTNERSHIP

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NATIONAL AGREEMENT

This National Agreement (the Agreement) is entered into this first day of October, 2019, by and between the labor organizations participating in the Coalition of Kaiser Permanente Unions (the Coalition) and the organizations participating in the Kaiser Permanente Medical Care Program (the Program), including Kaiser Foundation Health Plan, Inc. and Kaiser Foundation Hospitals (KFHP/H), and the Permanente Medical Groups (collectively Kaiser Permanente or Employers, or individually, Employer), which are signatories hereto.

INTRODUCTION

The Labor Management Partnership is supported through the engagement of regional and local partnership teams, as well as teams that operate across regions and functions. In some instances, this document provides specific timeframes required to assure progress toward Partnership goals. The Agreement promotes nationwide consistency by determining wages, benefits and certain other terms and conditions of employment. It is a blueprint for making Kaiser Permanente the Employer and care provider of choice.

Section 1 of this Agreement covers the privileges and obligations, reflects the continued commitment of the parties and integrates the work of the LMP Subgroups into the Partnership. Specifically, the LMP Subgroups provided solutions for improving performance, quality of service and attendance. They identified the systems needed to support high performance through education and training, workforce development and planning, and staffing, backfill and capacity building. Lastly, they captured the work environment elements needed to provide for patient safety, workplace safety, balance between work life and personal life, and collaborative examination of scope of practice issues. Section 1 provides mechanisms for spreading partnership, collaboration and organizational transformation throughout our organization. It defines how workers and managers engage in all the areas identified by the LMP Subgroups. Section 1 also covers areas such as union security, Partnership governance and problem-solving processes and elaborates on other privileges and obligations of Partnership.

Section 2 identifies the specific provisions of the Agreement that pertain to compensation, benefits and dispute procedures.

Section 3 describes the scope, application and term of the Agreement.

Section 4 contains the National Agreement exhibits.

This Agreement was created through an extraordinary collaboration with the input of hundreds of Kaiser Permanente employees at every level. The Agreement embodies the parties' collective vision for Kaiser Permanente. The language of this Agreement cannot begin to fully capture the energy and collective insights of the hundreds of people working long hours to establish this framework. As work units apply these principles, their commitment and expertise will make the vision a reality.

SECTION 1

PRIVILEGES AND OBLIGATIONS OF PARTNERSHIP

A. COMMITMENT TO PARTNERSHIP

The essence of the Labor Management Partnership is involvement and influence, pursuit of excellence and accountability by all. The parties believe people take pride in their contributions, care about their jobs and each other, want to be involved in decisions about their work and want to share in the success of their efforts. Market-leading organizational performance can only be achieved when everyone places an emphasis on benefiting all of Kaiser Permanente. There is an indisputable correlation between business success and success for people. Employees throughout the organization must have the opportunity to make decisions and take actions to improve performance and better address patient needs. This means that employees must have the skills, knowledge, information, opportunity and authority to make sound decisions and perform effectively. Engaged and involved employees will be highly committed to their work and contribute fully.

By creating an atmosphere of mutual trust and respect, recognizing each person's expertise and knowledge, and providing training and education to expand those capabilities, the common goals of organizational and individual success and a secure, challenging and personally rewarding work environment can be attained. With this Agreement, the parties will continue to invest in and support a wide array of activities

designed to increase individual employee skills training, learning opportunities, and growth and development.

The Value Compass sets forth the way in which this National Agreement becomes a key operating strategy for Kaiser Permanente. To improve performance measures by focusing on the needs of our patients and members requires involvement from everyone. We seek to move from projects to pilots to whole systems improvement, recognizing that all four points of the Value Compass impact the whole value that the organization creates.

The Value Compass is designed to achieve the KP Promise, which ensures our members always have the best health care experience.

The KP Promise is a commitment to our members to provide health care that is:

» quality you can trust;
» convenient and easy access;
» caring with a personal touch; and
» affordable.

Section 1 presents an integrated approach to service quality, performance improvement, workforce development, education and training, and creation of an environment responsive to organizational, employee and union interests. In addition, it provides a process to solve problems as close to the point at which they arise as possible, respecting the interests of all parties. The Partnership Agreement Review Process in Section 1.L.2. applies to disputes arising out of Section 1, but is meant to be used as a last resort.

With this Agreement, the Coalition and Kaiser Permanente assume a set of privileges and obligations. These include, but are not limited to, employment and income security, union security, access to information, including the responsibility to maintain confidentiality concerning sensitive information, participation in the governance structure and participation in performance sharing plans.

There is a joint commitment to identify, and by mutual agreement, incorporate our own successful practices and those of other high-performance organizations into each facility. The parties will work diligently to increase and enhance flexibility in work scheduling and work assignments to enhance service, quality and financial performance while meeting the interests of employees and their unions. We share a willingness to work in good faith to resolve jurisdictional issues in order to increase work team flexibility and performance, and we share a commitment to marketing Kaiser

Permanente as the Employer and care provider of choice.

In addition, it is absolutely critical for KP to grow its membership and adapt to a changing health care market.
We believe that much of the new growth opportunities could come from new government initiatives that emerge out of national health care reform.

The parties commit to the involvement of high-level Union, Kaiser Permanente and Kaiser Health Plan leaders to work together on growth strategies. The parties will work in a proactive manner on other growth potential, including discussing both contiguous and non-contiguous opportunities, new geographies and regions, mergers and acquisitions that best position opportunities for KP to grow more quickly and respond to opportunities, and will explore new health care vehicles that could be made available to union trust funds, multiemployer trust funds and single employers.

Members of the Labor Management Partnership, including Kaiser Permanente and all individual Coalition local unions, shall not pursue, sponsor or support legislation or ballot initiatives, which are specifically targeted at and the primary purpose of which is to harm a member of the other party. Members of the Partnership agree to follow the spirit and intent of the National Agreement, and where disputes arise, the parties will follow the dispute resolution process of Section 1.L.2 toward this end.

The parties shall work together to explore and utilize available growth opportunities. This requires positioning to ensure that we are a major player in current and future debates over national health care reform. The parties shall emphasize the unique advantages of the Kaiser Permanente model.

B. PARTNERSHIP GOVERNANCE AND STRUCTURE

The National Labor Management Partnership Agreement describes the vision of a workplace environment where diversity of opinion is valued and all stakeholders share a voice in decisions that affect them and their work. The vision of this Partnership is an integrated structure, where the unions and their members are part of the decision-making forums. In 2000, it was recognized that prior to reaching this vision, parallel structures needed to be implemented in order to organize, plan and implement the partnership principles. These structures were meant to be steps toward integration that would change as the Partnership evolved. Indeed, the 2005 National Agreement took substantive steps toward this integration.

1. PARTNERSHIP STRUCTURES

a. Integration

A variety of Partnership structures exist at the national, regional, service area, facility, department and/or work-unit levels. In addition, there are various business structures which attempt to

solve the same problem or achieve like goals. Partnership should become the way business is conducted at Kaiser Permanente at all levels, including national functions and shared services as well as regional and local levels. In order to achieve this goal, these parallel Labor Management Partnership structures should be integrated into existing operational structures of the organization at every level. This would result in dissolution of parallel labor management committees that are redundant with ongoing business committees (e.g., department meetings, project teams, planning committees). Parallel structures may still be required where there is no existing function, where existing structures are not adequate for a particular function, initiative, or area of focus, or where they are necessary because of legal or regulatory requirements. New initiatives should include labor participation from their inception.

Integration of labor into the normal business structures of the organization does not mean co-management, but rather full participation in the decision-making forums and processes at every level of the organization as described on pages 14–16 of the *Labor Management Partnership Vision: Reaffirmation & Understandings*, and subject only to the capacity of the unions to fully engage and contribute. The parties will work together to ensure that union capacity issues are adequately addressed.

b. Partnership in Shared Services, National Functions and Cross-Regional Functions

Coalition unions represent employees in a number of functions across KP that provide national, cross-regional, or shared services to KP members or other KP business units. The National Agreement applies to management and Coalition union-represented employees in these functions, regardless of the building or regions in which they are located. This includes the privileges and responsibilities of the Labor Management Partnership and the commitment to continuously improve performance along the Value Compass.

A regular and ongoing forum for key labor and management leaders will be created to focus on business and operational needs unique to these functions. Existing regional LMP councils will provide the model for composition and approach to support the forum's work. This approach will be tested and revised, as needed, based on its effectiveness in meeting the goals in the National Agreement; in particular, to become an organization in which unions and employees are integrated into planning and decision-making forums at all levels.

c. Unit-Based Teams

1. Shared Vision

The 2005 Attendance, Performance Improvement, Performance-Based Pay, Service Quality and Workforce Development BTGs recommended the establishment of teams based in work

units as a core mechanism for advancing Partnership as the way business is conducted at Kaiser Permanente, and for improving organizational performance (attached as Exhibit 1.B.1.c.1 (1)). Unit-based teams (UBT) were then established and have been refined in every national bargaining since.

A unit-based team includes all of the participants within the boundaries of the work unit, including supervisors, stewards, providers and employees. Engaging employees in the design and implementation of their work creates a healthy work environment and builds commitment to superior organizational performance. Successful engagement begins with appropriate structures and processes for Partnership interaction to take place. It requires the sponsorship, commitment and accountability of labor, management, and medical and dental group leadership to communicate to stakeholders that engagement in Partnership is not optional, but the way that Kaiser Permanente does business.

Members of a unit-based team participate in:

» planning and designing work processes;
» setting goals and establishing metrics;
» reviewing and evaluating aggregate team performance;
» budgeting, staffing and scheduling decisions; and
» proactively identifying problems and resolving issues.

The teams need information and support, including:

» open sharing of business information;
» timely performance data;
» department-specific training;
» thorough understanding of how unions operate;
» meeting skills and facilitation; and
» release time and backfill.

Senior leadership of KFHP/H, medical and dental groups and unions in each region and cross-regional, shared services and national functions will agree on a shared vision of the process for establishing teams, the methods for holding teams and leaders accountable, and the tools and resources necessary to support the teams. Unit-based team goals will be aligned with national, regional, facility and unit goals.

Implementation of unit-based teams should be phased, beginning with Labor Management Partnership readiness education and training of targeted work units, providing supervisors and stewards with the knowledge and tools to begin the team-building work. It is expected that unit-based teams are the operating model for Kaiser Permanente.

The Rutgers study findings on *What Teams Need* can be found in Exhibit 1.B.1.c.1(2).

2. Unit-Based Team Roles

Stewards and supervisors play a critical role in high-performance partnership organizations. Where work is organized and performed by unit-based teams, the roles are substantially different from those

of traditional work situations. References to supervisors in this Agreement refer to management representatives.

In unit-based teams, supervisors will continue to play a crucial role in providing leadership and support to frontline workers. The role should evolve from directing the workforce to coaching, facilitating, supporting, representing management through interest-based procedures and ensuring that a more involved and engaged workforce is provided with the necessary systems, materials and resources. The role of stewards should evolve into one of work-unit leadership, problem solving, participating in the organization and design of the work processes, and representing co-workers through interest-based procedures.

Each regional LMP council will review the various positions established under the National Agreement as well as positions funded through the National LMP Trust or local areas. The review should assess the effectiveness of the roles and leverage them to support unit-based teams and the work of the Partnership.

The regions, medical centers, medical facilities and national functions will assess whether the caseload for support positions (e.g., Sponsors, UBT Consultants, etc.) is sustainable and conducive to UBT development. The regions and medical centers will consider goals for these caseloads, which could vary based on factors such as team *Path to Performance* levels, team size and available resources.

3. Unit-Based Team Targets

The commitment of the Partnership is that 100 percent of Coalition-represented employees will be on UBTs to achieve and sustain high performance. All unit-based teams should be high-performing with the expectation that by 2020, all UBTs will be performing at a Level 3 or better. Any team that drops below a Level 3 should return to Level 3 or better within six months. All regions will support UBTs in all departments and achieve or exceed the following targets for high-performing teams (Levels 4–5).

The target for high-performing teams for 2020 shall be 85%. Subsequent yearly targets will be determined by a partnership group appointed by the LMP Executive Committee.

Percentages expressed are the number of teams at a level of performance as a percentage of the total number of existing teams as of the second Friday in January for that calendar year.

The performance status of a unit-based team is defined by the *Path to Performance* (attached as Exhibit 1.B.1.c.3.).

4. Unit-Based Team Assessment

A uniform, national UBT rating system is established based on observable evidence and behavior and is described in the *Path to Performance*. Each region, cross-regional, shared service and national function will ensure consistent application and assessment of the *Path to Performance* following national criteria, standards and interpretation across teams and sites.

UBTs will be evaluated during face-to-face assessment meetings conducted by the team's UBT Consultant and Union Partnership Representative (UPR). High-performing UBTs will be recognized and rewarded.

» Level 1 through 3 UBTs will be assessed in person quarterly.
» Level 4 and 5 UBTs will be assessed in person annually or more often if necessary.
» Sponsors must sign off on the assessments but do not need to be present.
» The LMP leadership group in each region will evaluate what resources are needed to support implementing the face-to-face assessment process.

Each region will verify Level 4 and 5 teams by evaluating a small, random sample of teams to ensure assessments of team levels are accurate. As part of the assessment process, an action plan will be developed that gives the team clear guidance on the steps it needs to take to move up the *Path to Performance* in each dimension, as appropriate. This assessment process can be modified by a consensus of the LMP Executive Committee and Union Coalition Steering Committee.

5. Unit-Based Team Sponsorship
The LMP regional leadership will:

» facilitate the development of working agreements between labor and management sponsors that will include a specific discussion about how the labor sponsor is going to be released; release time is critical for sponsors to be able to effectively support their teams;
» recommend a maximum number of teams that can effectively be sponsored by a labor or management sponsor;
» plan how to build union capacity for sponsorship;
» develop a forum for sponsors to share information about teams, soliciting input from the voice of the customer;
» ensure this work commences immediately and is completed by the end of 2015.

UBT sponsors have primary accountability for taking an active role with their teams to identify resources and remove barriers that impede their teams' success. Sponsors will receive more comprehensive support to be effective in their role. Sponsors will support UBT co-leads to be effective in their roles and hold co-leads accountable for following the *Path to Performance* and achieving results on the Value Compass. If local problem-solving attempts to remove barriers and allocate resources are not successful, UBT sponsors will escalate the issue in accordance with the Section 1.L.2. Partnership Agreement Review Process. Sponsors should focus their energy on helping teams achieve and ultimately sustain high performance, and accomplish line-of-sight performance outcomes.

d. Pathway to Partnership Performance

The approach used for measuring UBT performance will be extended to the "middle" and "macro" levels of the organization.

The National LMP Co-chairs chartered a subgroup to:

1. develop a progressive *Pathway to Partnership Performance* to measure Partnership performance at the facility, area and regional levels;
2. pursue the delivery of a jointly developed solution ("tool") for tracking and measuring Partnership performance; and
3. implement a manual system in the event that a timely technological solution is not available.

The LMP Executive Committee will establish *Pathway to Partnership Performance* goals annually.

Exhibit 1.B.1.d. contains the implementation timeline and potential metrics.

e. Joint Accountability

To ensure consistency and accountability to the principles of partnership, the National LMP Co-chairs will implement systems to ensure joint accountability of trust-funded staff. The system will consider aspects such as collaborative goal-setting, joint feedback and evaluations, shared input on incentives, and other aspects of program management. The National LMP Co-chairs will report annually on the results to the LMP Executive Committee.

f. Partnership Structures and Operations

In 2019 bargaining, the parties agreed to the following:

» Develop a roster of LMP forums, including contacts, roles and responsibilities, which will be updated and maintained by the respective parties.

» All LMP Councils will move from a recommendation body to an oversight and leadership body by taking the following steps such as creating action plans to increase accountability for:

- the Path to Performance;
- the Pathway to Partnership Performance; and
- education and training (including report outs from local LMP Councils to Regional LMP Councils on performance). Regional LMP Councils will incorporate these principles into their charters.

» Ensure there is an appropriate cadre of labor and management people able to deliver training and lead partnership activities.

g. World Class Partnership Revitalization Communication

The parties agreed to an intensive 6-12 month jointly developed and delivered education campaign (format such as town halls and fairs), following ratification, with sufficient joint resources, on new partnership agreements, acknowledging the need for Partnership revitalization and a focus on a critical few organizational or mutually agreed upon priorities (value compass) — a new day for the partnership.

Outcome goals include: Reorienting everyone (labor and management); appreciating the history and journey to

a new partnership; orienting people to achieving progress on the critical few priorities — as illustrated by the value compass; and setting the stage for other parts of the agreement.

2. GOVERNING BODIES

The governing body for the Labor Management Partnership is the Labor Management Partnership Strategy Group (the Strategy Group), which currently comprises the Regional Presidents, a subset of the KFHP/H National Leadership Team, representatives from the Permanente Medical Groups, the Permanente Federation, the Office of Labor Management Partnership (OLMP) and the Coalition. The Strategy Group provides direction and oversight on the strategic priorities for the Partnership and meets at least annually.

The Executive Committee of the Strategy Group (the Executive Committee) is appointed from among the members of the Strategy Group. The Executive Committee acts on behalf of the Strategy Group between meetings and generally focuses on the implementation of Partnership activities within the overall strategic framework set out by the Strategy Group. The Executive Committee meets as often as necessary.

The parties acknowledge that as integration progresses, governance structures may need to evolve accordingly.

Kaiser Permanente and the Coalition provide administrative and operational support to the Strategy Group and the Board of Trustees of the Labor Management Partnership Trust (the Partnership Trust) and co-lead and implement the work of the Partnership at all levels.

3. JOINT PARTNERSHIP TRUST

The Partnership Trust has been established for the purpose of funding labor management administration and Partnership activities. Changes in the Employer's overall funding of Partnership expenses, including Partnership Trust contributions, training and education development, administration and technical and consulting support expenses necessary to implement/advance the Partnership, shall be at least proportional to employee contributions as described below. An amount equal to nine cents per hour per employee will be contributed to the Partnership Trust throughout the term of this Agreement, consistently across the Program. The purpose of the employee contribution is employee ownership of the Partnership, sponsorship of increased union capacity and shared ownership of outcomes and performance gains.

The Employer will contribute to the LMP Trust Fund at the rate of $6 million annually, prorated for 2019 from the effective date of this Agreement. An amount equal to nine cents per hour per employee will be contributed to the Partnership Trust throughout the term of this agreement, consistent across the Program.

The Partnership Trust is jointly administered by a Board of Trustees consisting of union and management representatives. There will be up to six trustees consisting of equal numbers of

union and management representatives. The Board of Trustees has overall responsibilities for managing the Partnership Trust, including the adoption of a budget designed to advance the purposes and priorities of the Partnership as established by this National Agreement and the Strategy Group.

C. ORGANIZATIONAL PERFORMANCE

The parties are dedicated to working together to make Kaiser Permanente the recognized market leader in providing quality health care and service. This can be accomplished through creating a service culture, achieving performance goals, developing the Kaiser Permanente workforce, increasing employee satisfaction, promoting patient safety programs, and focusing attention on employee health and work-life personal-life balance. The goal is to continually improve performance by investing in people and infrastructure, improving communication skills, fostering leadership and supporting involvement in the community.

1. PERFORMANCE IMPROVEMENT

Kaiser Permanente and the Coalition are competing in a challenging market that is characterized by a limited workforce, changes in technology, changes in clinical practice, cultural diversity, changing demographics and high demand for quality service. The parties are committed to the enhancement of organizational performance so that working in Partnership is the way Kaiser Permanente does business. Under this Agreement, the parties will work together to:

- develop and invest in people, including the development of and investment in managers, supervisors and union stewards;
- engage employees at all levels;
- align the systems and processes that support the achievement of organizational and Partnership goals;
- enhance the ability of Coalition unions to advance their social mission and the welfare of their members;
- recognize and reduce parallel structures;
- ensure joint management-union accountability for performance;
- grow membership;
- redesign work processes to improve effectiveness, efficiency and work environment;
- develop and foster unit-based teams;
- share and establish expectations regarding broad adoption of successful practices in areas such as service, attendance, workplace safety, workforce development, cost structure reduction, scope of practice and performance-based pay; and
- communicate with employees on an ongoing basis regarding performance goals and targets, as well as performance results at all levels of the organization.

Each regional LMP council shall develop approaches aimed at reducing variation between medical centers, facilities and departments in the resources available for partnership. In particular, such a plan should:

» ensure at a regional level there is adequate time for teams to review performance, identify opportunities for improvement, and develop and test changes to drive improvement; and

» provide regional or facility support to departments as needed to cross-cover or backfill and jointly determine the most cost-effective manner to provide the support.

a. Successful Practices

Each region will inventory and submit to a designee in the OLMP the existing systems that are used to capture and share successful practices.

The OLMP will be responsible to:

» act as the sponsor for the transfer of successful practices;

» coordinate with regional and national function leadership to provide funding, incentives, education, support and tools; and

» implement and maintain the system to ensure that successful practices are, in fact, transferred.

The National UBT Tracker, LMP website and other tools throughout the organization shall be regularly updated and made available to the organization so as to accelerate knowledge of and use of best practices, categorized by type (e.g., quality, patient safety, service, etc.).

Regions or facilities where business goals are not being met for a specific function will be accountable to adopt demonstrated successful practices specifically applicable to that function, in order to improve performance.

b. Flexibility

Kaiser Permanente and the Coalition are committed to enhancement of organizational performance by developing and investing in people and aligning the systems and processes that support the achievement of organizational and partnership goals. Further, the parties are committed to Kaiser Permanente becoming a high-performance organization and to the KP Promise and the Labor Management Partnership as a foundation for reaching this goal.

Market-driven change has created a challenging competitive situation that is characterized by a limited number of skilled workers and new entrants into the workforce, changes in technology, changes in clinical practice, cultural diversity, changing demographics and high demand for quality service. To become a high-performance organization in this environment requires organizational change.

Becoming a high-performance organization also requires a pledge from Partner unions and Kaiser Permanente to modify traditional approaches, to work diligently to enhance flexibility in labor contracts, to willingly explore alternative ways to apply seniority and to address jurisdictional issues in order to achieve organizational performance goals. It is expected that the parties will undertake this in a way that is consistent with the Partnership, while at the same time preserving the principles of seniority and union jurisdiction.

The following is minimally required to create an environment that balances

Kaiser Permanente's need for flexibility in removing barriers to enhanced performance with Partner unions' need to honor seniority and jurisdiction. The goal is to create a climate based on trust that promotes achievement of Partnership outcomes and fosters an environment in which Kaiser Permanente, Partner unions and employees effectively respond to and address issues at the local level. It is not the intent of the parties to undermine the principles of seniority and union jurisdiction or to reduce the overall level of union membership. Management is not looking for the right to make changes unilaterally to achieve greater flexibility, but expects the unions to work with them to address flexibility needs. The need for and desirability of joint decision making is acknowledged.

Management recognizes the unions' interest in a balanced approach which will not disadvantage one union relative to another and acknowledges that a broad, long-term perspective should be adopted.

Commitment to performance improvement through joint, continuing efforts to redesign business systems and work processes. This includes simplifying workflow, eliminating redundant or unnecessary tasks and coordinating workflow across boundaries. It also requires alignment with and implementation of the business strategy and the principles of the Labor Management Partnership.

Incorporation of Labor Management Partnership principles in redesign efforts. These include:

» involving affected employees and their unions in the process;

» assessing impact on employees;

» minimizing impact on other units due to bumping and other dislocation;

» providing fair opportunity for current employees to perform new work;

» retraining or redeploying affected employees; and

» applying the principles of employment and income security.

Creation of mutually agreeable local work design processes to address local conditions while ensuring high levels of quality, service and financial performance. Flexibility will enhance management's ability to meet its employment security obligations, just as flexibility will be enhanced by joint labor management influence over workplace practices. Principles to be observed include:

» respect for seniority and union jurisdiction;

» flexibility for employees' personal needs; and

» flexibility in work scheduling, work assignments and other workplace practices.

Commitment of local labor management partners to exhibit creativity and trust to resolve difficult issues, such as:

» contractual and jurisdictional issues that are inconsistent with Partnership principles and/or that are barriers to achievement of Partnership goals;

» considering reciprocity of seniority between bargaining units to facilitate employee development and performance improvement;
» enhancing employee mobility across regions and Partner unions and into promotional opportunities;
» cross-training staff across job classifications and union jurisdictional lines where it makes operational or business sense or where union and employee interests are accommodated;
» enabling team members to perform operational functions across boundaries (job classification, department and/or union jurisdiction) within their scope of practice and licensure to serve members/patients; and
» utilizing a joint process to resolve issues of skill mix, classification and the application of the provisions of the National Employment and Income Security Agreement.

Mechanisms for flexibility include, but are not limited to:

» expanding skills of staff;
» developing innovative and flexible scheduling and work assignments to balance staffing and workload;
» alternative work assignments and schedules to accommodate variations in staff workload;
» shifting tasks to accommodate periods of peak demand;
» temporary assignments to other work;
» using supply-demand management tools to anticipate staffing needs; and
» other innovative employment options such as seasonal employment and job sharing.

In applying the principles of the Partnership, local labor management partners may create a variety of joint agreements or practices to enhance organizational performance and to accommodate employee interests. In order to encourage creativity and joint risk taking, such agreements will be non-precedent setting and not apply to other units, departments, medical centers or service areas. However, sharing and adoption of successful practices is highly encouraged.

The parties agreed to adopt the recommendations of the LMP subgroup concerning flexibility, which are attached as Exhibit 1.C.1.b.

Regional Flexibility Subgroups. Each regional LMP council will identify a joint subgroup that will work on issues related to flexibility. These subgroups will operate by joint decision making (Consensus Decision Making) and will:

» be guided by the principles of the Labor Management Partnership, the Value Compass and the existing flexibility language (above);
» create a charter undertaking a flexibility review that is consistent with the National Agreement;
» explore innovative concepts and approaches to flexibility, where either labor or management has an interest, that may be leveraged in partnership to address patient and KP member needs;
» review and help spread:

  - › successful practices across the region;
  - › practices that optimize KP staff and resources; and
  - › practices that improve the employment experience.
- » report out on their progress annually to the LMP Executive Committee; and
- » this process will be subject to the Partnership Agreement Review Process in Section 1.L.2. of the National Agreement.

2. SERVICE QUALITY

Kaiser Permanente and the Coalition are dedicated to working together to make Kaiser Permanente the recognized leader in superior service to each other, to our members and to purchasers, contracted providers and vendors. In order to become the recognized leader in superior service, the parties agree to pursue a Labor Management Partnership strategy in which every region will have a plan to implement the following critical elements of service quality.

a. Leadership Commitment and Service Behavior

Labor integration. Labor, management, physician and dental leaders will assume a leadership role in the design and implementation of the service promise or credo. In the first year of the 2005 Agreement, the Strategy Group, working with the KPPG subgroup on service, led the design and implementation of a curriculum and a communication plan to advance the service promise or credo at all levels of the organization. The curriculum included the key concepts needed to support the development of a service culture, including the critical element of service recovery.

Working in partnership, labor and management will be accountable for creating a service culture at the facility, department and work-unit levels. Partner union representatives will be integrated into planning, development and implementation of a service culture. Union partners will be integrated into any new or ongoing service initiatives or committees that manage service programs at the national, regional or local levels.

A service culture can best be achieved by utilizing unit-based teams. High member, employee and provider satisfaction will result from well-trained teams that are empowered and supported to meet or exceed service expectations. Key components for achieving high service quality performance by unit-based teams include employee involvement in point-of-service decision making, systems that support the team in the delivery of superior service, orientation and training, accountability and an organizational commitment to service quality.

Accountability. Individuals, teams and leaders are accountable for service quality at Kaiser Permanente. All members of a team own their individual service behavior, as well as the service provided by their team. Leadership is accountable for supporting individuals and teams in building and maintaining a service culture, and implementing the critical elements of the service

plan. Accountability will be enhanced by establishing and monitoring service quality metrics.

Resources. National and regional leadership will designate funding sources for service quality improvement, including development of defined service budgets, which are jointly planned and reviewed by management, labor, physicians and dentists.

b. Systems and Processes

Alignment. To make Kaiser Permanente the recognized leader in superior service, organizational systems and processes must be aligned with that goal. The parties will evaluate, develop or improve systems that support employees and departments in delivering superior service.

Recruitment and Hiring. In order to integrate a service focus into the organization's recruitment and hiring practices, the parties agree that all job descriptions, performance evaluations and job competencies will include a jointly developed service component. All job postings will include language that emphasizes service skills.

Recognition and Reward. Recognition is a critical component in fostering and reinforcing a culture of service excellence. The parties will work to align service quality incentives throughout all levels of the organization, with increased emphasis on service.

Metrics and Measurement. Service quality should be measured and given appropriate weight to reach and maintain superior service at all levels of the organization. The parties will develop a "Balanced Scorecard" measurement program, and strengthen customer satisfaction measurement tools.

Orientation and Training. The service training program will continue to be delivered as needed at a regional, facility, work-unit or individual level, including the service recovery section.

Service Recovery. Service recovery is a critical element of a service quality improvement strategy to prevent member terminations. Medical centers or departments will provide resources for implementation of consistent service recovery programs.

c. Environment

The physical and social environment affects service quality. The parties at the national and regional level will work to strengthen the involvement of union leaders and frontline staff in the design of existing facility modification, template development and new construction.

3. ATTENDANCE

a. Philosophy

Optimal attendance is imperative to achieve superior customer service, employee satisfaction, efficiency and quality of care for health plan members. Appropriate use of time-off benefits, including sick leave when employees are injured or ill, is essential to employee well-being and organizational performance. A healthy work environment and a committed workforce are critical success factors for achieving

optimal attendance. Sick leave is not an entitlement, but a benefit, like insurance, to be utilized only when needed.

b. Sponsorship and Accountability

The parties share the goal of ensuring that attendance performance at Kaiser Permanente is in the forefront of high-performing health care organizations. In order to achieve optimal attendance, sponsorship must occur from the highest leadership levels within Kaiser Permanente and the Coalition. This includes:

» National Leadership Team members;

» regional presidents;

» regional medical and dental directors; and

» local Union leaders.

Accountability for the attendance program will be integrated into the operational structures of management and the leadership of Coalition local unions. A chain of accountability for the attendance recommendations will be established that is clear at all levels of the respective organizations. Accountability includes clear expectation of roles and responsibilities as well as rewards and consequences, as appropriate, for performance and non-performance.

c. Time-Off Benefit Enhancement

Labor and management have agreed to establish a new benefit design to improve attendance by providing economic incentives for appropriate use of sick leave, as well as flexible personal days. This benefit design includes three key components: flexible personal days, annual sick leave and banked sick leave. This benefit does not affect vacation, and does not apply to employees covered by ETO/PTO plans.

Flexible Personal Days. Each local collective bargaining agreement may designate from two to five flexible personal paid days off (personal days) that employees may use for personal needs in increments of not less than two hours.

Requests for a single personal day off, or for hours within a single shift, shall be granted upon receipt of at least two weeks' notice. Last-minute notice is acceptable for personal emergencies.

Requests with less than two weeks' notice, requests for consecutive days off, for days before or after a holiday, or for other days designated by mutual agreement, will be reviewed and approved or denied on a case-by-case basis in order to meet core staffing needs. Denials will be tracked and compiled, by department, on a quarterly basis.

All unused personal days will be converted at 50 percent of value to cash at the end of each year.

Personal days may not be cashed out upon resignation or termination; however, upon retirement personal days may be cashed out at 50 percent of value. For the purposes of this Section 1.C.3., retirement means that the employee has retired from the organization pursuant to the terms of a qualified Kaiser Permanente retirement plan.

These provisions will not supersede local collective bargaining agreements with superior conditions regarding notice requirements, granting of requests or cash-out provisions.

Sick Leave Benefit. There are two types of sick leave benefits. Annual sick leave is the sick leave days credited each year to each employee in accordance with the provisions of the local collective bargaining agreements. Banked sick leave is previously accumulated unused sick leave to which unused annual sick leave may be added at the end of each anniversary year.

Annual Sick Leave. Employees will be credited with their entire annual allotment of sick leave days provided in the local collective bargaining agreements at the beginning of the pay period in which each employee's anniversary date of hire falls. For purposes of annual sick leave days, in cases where an employee's anniversary date of hire has been adjusted, the "leave accrual service date" will be used.

Special Note for Part-Time Employees. Part-time employees' annual sick leave will be credited proportionately, based on scheduled hours. Throughout the year (no more frequently than quarterly) the credited annual sick leave will be adjusted based on actual compensated hours. This will ensure that employees who work, on average, more hours than they are scheduled will receive proper annual sick leave credit.

Banked Sick Leave. At the end of each anniversary year, 100 percent of unused annual sick leave days may be credited to banked sick leave at 100 percent of value. Banked sick leave is made up of accumulated unused sick leave with no limit on the amount that may be accumulated, regardless of limitations on accumulation that may be contained in local collective bargaining agreements. Existing accumulated sick leave balances for all employees will be credited to banked sick leave upon implementation of this program.

Banked sick leave may only be used following exhaustion of annual sick leave, or for statutory leaves (e.g., CESLA, FMLA, OFLA, workers' compensation, etc.), or when the employee is hospitalized. Medical verification may be required for use of banked sick leave. Banked sick leave accrued after December 31, 2005, will be used following exhaustion of any banked sick leave accrued prior to January 1, 2006.

Options for Unused Annual Sick Leave. At the end of each calendar year, employees who meet the eligibility requirements set forth below may elect to:

» convert up to 10 days of unused annual sick leave days to cash as set forth below; or

» credit unused days to banked sick leave at 100 percent of value.

Employees may select either a conversion option or the credit option, or a combination of a conversion option and the credit option.

This election will take place at the end of the calendar year. However, conversion and/or credit will occur at the end of the employee's anniversary year and will be based on available balances of unused annual sick leave at the end of the employee's anniversary year.

Conversion of Unused Annual Sick Leave. Employees will be eligible to cash out unused annual sick leave as described in either Option 1 or Option 2 below.

Option 1:
At the end of each year, employees with at least 10 days of banked sick leave (or the proportional equivalent for part-time employees) may elect to cash out up to 10 days of unused annual sick leave at 50 percent of value. Employees with fewer than 10 days of banked sick leave must first apply unused annual sick leave toward reaching a minimum balance of 10 days (or the proportional equivalent) of banked sick leave. Once that minimum balance is reached, additional unused annual sick leave may be cashed out, up to a maximum of 10 days, at 50 percent of value.

Example 1: An employee has no banked sick leave and 12 days' unused annual sick leave at the end of the year. Ten days must be credited to banked sick leave and two days may be cashed out at 50 percent of value.

Example 2: An employee has five days' banked sick leave, and 12 days' unused annual sick leave at the end of the year. Five (5) days must be credited to banked sick leave and seven days may be cashed out at 50 percent of value.

Option 2:
At the end of each year, employees with at least one year's worth of annual accrued sick leave in their post-January 1, 2006, bank may elect to cash out up to 10 days of unused annual sick leave at 75 percent of value.

Example 1: An employee has 20 days' banked sick leave and 12 days' unused annual sick leave at the end of the year. This employee's annual sick day allotment is 12 days. Ten days may be cashed out at 75 percent value and two days will be credited to banked sick leave; or, all 12 days' unused annual sick leave may be credited to banked sick leave.

All unused annual sick leave days that are not converted to cash under Option 1 or Option 2 above will be automatically credited to banked sick leave at 100 percent of value.

Retirement Conversion. Upon retirement, banked sick leave accrued prior to January 1, 2006, will be recognized as credited service for pension purposes (excluding Taft-Hartley plans).

Healthcare Reimbursement Account (HRA). A Healthcare Reimbursement Account (HRA) will be set up for eligible employees who become plan participants when they retire in accordance with the plan document.

The HRA may be used to reimburse participants for medical, dental, vision and hearing care expenses that qualify as federal income tax deductions under

Section 213 of the Internal Revenue Code. Eligible employees shall convert 80 percent of unused sick leave accrued during or after 2006 to fund the HRA.

For further information or clarification, please refer to the HRA Plan Document.

d. Implementation

The parties agree that the benefit structure which became effective as of January 1, 2006, continues for the term of this Agreement.

The National Attendance Committee develops detailed timelines for initial and long-term implementation of the attendance program with identified goals and performance expectations. The Committee defines the kinds of data needed and the methods to be used, collects the necessary data and provides reporting that is consistent across regions. The committee establishes a framework that defines the level of attendance performance at which an attendance review is triggered. The 2005 Attendance BTGs report guides the work of the committee.

e. Integrated Disability Management

A comprehensive integrated disability management program for long-term leave that provides a rapid return to work for employees will be jointly developed. This program will include the current focus on disabilities and workers' compensation and extend to chronic and recurrent sick leave and non-occupational injuries, illnesses or disabilities, whether or not they are covered under FMLA or other protected leave. This program is further described in Section 1.J., Workplace Safety.

f. Attendance Intervention Model

The intervention model developed by the OLMP will be utilized to provide expertise and tools that can assist departments or units with poor attendance to discover and understand root causes and develop solutions in partnership that will improve attendance.

The National Attendance Committee will:

» modify the intervention model based on experience to date and successful practices;

» develop a toolkit for use by the regions or national functions;

» develop and offer training to regional or national personnel for intervention skills and use of the toolkit; and

» provide consulting and back-up services to the regions or national functions.

Each region or national function will:

» fund and develop resources for intervening in units with attendance issues;

» establish intervention teams with administrative support; and

» determine the number of teams needed based on the number of units requiring intervention.

g. Staffing and Backfill (Planned Replacement)

The success of the attendance program depends on a number of key elements, all of which are essential. This includes

adequate staffing, planned replacement and commitment to providing appropriate time off when requested. Section 1.F., Staffing, Backfill (Planned Replacement), Budgeting and Capacity Building, provides the details regarding these obligations.

4. SCOPE OF PRACTICE

The people of Kaiser Permanente will work collaboratively in the Labor Management Partnership to address scope of practice issues in a way that ensures compliance with laws and regulations while valuing the strengths, contributions and employment experience of all members of the health care team. The parties agree to work in Partnership to promote knowledge and understanding of scope of practice issues, proactively influence scope of practice laws and regulations as appropriate, create a safe environment to address scope of practice issues in a non-punitive manner, and provide opportunities and resources for all employees to advance personally and professionally in order to take advantage of full scope of practice in accordance with certification and/or licensure.

To the extent possible, to achieve these objectives, union representatives should be fully integrated into national, regional and local scope of practice decision-making structures within Kaiser Permanente as outlined in the *2005 Scope of Practice BTG Report*, pages 14–17 (attached as Exhibit 1.C.4.(1)). Where disagreements arise regarding the legal scope of practice of employees covered under this Agreement, the Issue Resolution process in Section 1.L.1. may be utilized on an expedited basis. If such a disagreement is not fully resolved through an expedited Issue Resolution process, management, acting in good faith, will apply relevant law and regulatory requirements and reserves the right to make a final determination to ensure compliance with laws and regulations.

Scope of practice education and training programs will be developed and communicated broadly throughout the organization. The Strategy Group, working together with the National Compliance, Ethics & Integrity Office, will be accountable for the implementation of these provisions. Guidance for education and training programs and timelines for implementation are provided on pages 9, 10 and 11 of the *2005 Scope of Practice BTG Report* (attached as Exhibit 1.C.4.(2)).

5. JOINT MARKETING AND GROWTH

The Coalition unions and Kaiser Permanente acknowledge the untapped opportunities for membership growth among union-affiliated workers. In the 1997 Labor Management Partnership agreement, the unions and management committed to work together to "expand Kaiser Permanente's membership in current and new markets, including designation as a provider of choice for all labor organizations in the areas we serve."

The parties reaffirm their commitment to market Kaiser Permanente to new and

existing union groups and to establish the necessary strategic and policy oversight, as well as appropriate funding, to ensure the joint Labor Management Partnership marketing effort becomes a successful sustainable model, resulting in increased enrollment in the Kaiser Foundation Health Plan. The Coalition and its affiliated unions, acting in the interest of and in support of the Partnership, will use their influence to the greatest extent possible to assure that unionized employers, union health and welfare trusts and Taft-Hartley trusts operating in, or providing benefits to, union members in areas served by Kaiser Permanente, offer the Kaiser Foundation Health Plan. National oversight and sponsorship of the joint marketing effort will be provided by the Strategy Group with the input and involvement of regional and local labor representatives in the evaluation of marketing options. The foundation of the joint marketing efforts will require organizational alignment, integration (e.g., participating in the regional rate-setting process) and coordination between the Coalition and departments engaged in promoting Kaiser Permanente at the regional level.

The parties have developed Joint Labor Management Partnership Marketing Program recommendations. These recommendations identify the need for:

» consistent data collection;
» education programs;
» communication strategies and tools;
» mechanisms to measure outcomes and progress "at the regional and local level"; and
» a joint structure, including the long-term vision of integration, to accomplish these goals.

A Joint Labor Management Partnership Marketing Action Plan will be submitted annually to the Strategy Group for approval and implementation. The action plan should be based on the Labor Management Partnership Joint Marketing Program recommendations, and should identify the annual goals and objectives, resources, responsibilities, accountabilities and outcomes for the following year. The action plan will focus member growth activities throughout the year on:

» programs that support the visibility of the Kaiser Permanente brand to employers—both through marketing materials and onsite activities; and
» those segments of the market that provide the greatest potential for new growth.

Regional Partnership teams will utilize existing forums where possible (e.g., regional/local LMP Councils, regional marketing councils, etc.) to replicate the Senior Work Group on Growth. This may include extending the charter, the organizational structure, and the growth and retention strategy to local markets.

a. CKPU Growth

Kaiser Permanente and the Coalition unions agree to leverage the LMP as part of our joint interests in making sure that we deliver high-quality patient care and service, create the best place to work and receive affordable quality care. In doing so, the parties agree to ingrain

a culture of growth of the Coalition unions by all throughout the organization and in Partnership.

Kaiser Permanente and the Coalition unions agree that in accretion of newly represented groups the expectation is in the normal circumstances the newly represented unit will convert to the existing National and Local contractual provisions, including all economic provisions. In the absence of agreement, outstanding issues will be referred to expedited binding interest arbitration.

D. WORKFORCE PLANNING AND DEVELOPMENT

1. TAFT-HARTLEY TRUSTS

a. Funding

Two Taft-Hartley trusts, one for Coalition SEIU unions (the SEIU Multi-Employer Trust) and another for all other Coalition unions representing employees of KFHP, KFH and the affected Permanente Medical Groups (the Ben Hudnall Trust), will be funded to provide for base services as well as comprehensive training and education programs and services for their respective memberships in such areas as:

» hard-to-fill/critical need, market-challenged positions;

» qualified bilingual skills training;

» preparation for new technology and new workflows; and

» health care reform impacts.

For the duration of this agreement, the Parties agree that Joint Educational Trusts will be funded annually. The funding calculation will be determined by a 0.50 percentage of the gross annual payroll of Coalition-represented employees participating in each trust as of December 31 of the preceding year. Funds will be transferred to each trust annually according to the trust agreements.

The Employer shall contribute $1 million annually to the Ben Hudnall Trust, provided however, that this obligation shall be concurrent with, and not cumulative of, its obligation to contribute to the Hudnall trust under other agreements. In addition, the Employer will contribute $1 million annually to the SEIU Multi-Employer Trust. These contributions will be for the purpose of providing enhanced training benefits for employees in the redeployment process, in addition to those benefits provided by the EISA.

b. Governance

Each Taft-Hartley trust will be governed by an equal number of labor and management trustees. Labor trustees are selected by labor; management trustees by management.

» SEIU unions will join the SEIU United Healthcare Workers-West and Joint Employer Education Fund.

» All other Coalition unions will join the Ben Hudnall Trust.

Each trust will establish the most appropriate staffing structure and levels to meet its goals.

2. STRUCTURE

a. Workforce Planning and Development Coordination and Implementation Structure

Workforce planning and development activity will be coordinated across the regions and the two trust funds through an integrated national, regional (and, if appropriate, facility) workforce development team structure. The activity will include:

» workforce forecasting, analysis and strategies;

» development of systems to support forecasting, tracking and data collection at all levels;

» Workforce Planning and Development Team setup, orientation and support;

» filling workforce development positions;

» facilitation of the sharing of successful practices across regions;

» updating the Workforce Planning and Development communication plan to include information about the education trusts, existing career paths and new opportunities for training and education; and

» leveraging UBTs, LMP councils and joint management/steward trainings to communicate training and education opportunities.

b. National Workforce Planning and Development Team (National Team)

The National Team will include co-leads, one from management and one from the Coalition, and will be accountable to the Strategy Group. The team will also include representatives from HR functions, including Recruitment, Compensation and Learning Services, as well as Workforce for Tomorrow, operations and the co-leads from each regional Workforce Planning and Development team, and other representatives as appropriate. The national team will align, integrate and coordinate all workforce development and training efforts. The team will identify grants, federal, state and private money to leverage additional funding for education and training. The team will communicate using trust plan documents, including an annual report with financial and participant data, about the process and criteria of trust benefits and programs to broader labor and management groups. The team will be charged with the oversight and training of workforce development teams and will work directly with trustees of the Taft-Hartley and Partnership trusts and the regional and facility (as appropriate) teams to develop and coordinate policies to support workforce development. The national team will be staffed sufficiently to ensure timely implementation.

c. Regional Workforce Planning and Development Teams (Regional Teams)

The regional teams will be chaired by labor and management co-leads, and will be accountable to regional Labor Management Partnership Councils/ Steering Committees/Strategy Groups (or their equivalent). Participants

will include representatives from HR functions, including: Recruitment, Compensation and Learning Services, as well as Work of the Future, operations and other representatives as appropriate. Regional teams will create and maintain a program to meet the goals set out in this Agreement and the 2005 Workforce Development BTG recommendations. They will also align, integrate and coordinate all workforce planning and development efforts on a regional level. Regional teams will work directly with the national team to:

» assess needs;

» deliver and implement programs;

» create policies to support workforce development;

» coordinate the delivery of programs to ensure that barriers to job placement and training opportunities are eliminated; and

» provide guidance and oversight in order to effectively coordinate with facility teams (as appropriate).

Regional Workforce Planning and Development, in collaboration with regional operations, will identify training positions based on operational needs. Such training opportunities will be explored with labor in partnership, with the intent of enabling employees to meet the minimum experience requirements and promote career mobility.

Regional Workforce Planning and Development teams will integrate work and jobs of the future into their scope. The teams will identify and learn about organizational strategies and innovation trends, assess impact on job and skills, and recommend training, recruitment, job redesign and new jobs, as appropriate. Team composition and resources will be evaluated in order to accomplish the work. Regional and national Workforce Planning and Development teams will work together to share innovations, spread successful practices and engage UBTs in workforce transformation. National LMP Co-chairs will coordinate the work and report at least annually to the LMP Executive Committee of the Strategy Group on progress nationally and in each region.

d. Facility Workforce Planning and Development Teams (Facility Teams)

Facility teams will be established, where appropriate. These teams will assess needs and barriers to training and report findings to the regional teams.

3. JOINT WORKFORCE PLANNING AND DEVELOPMENT

Workforce Planning and Development is one of the highest priorities of Kaiser Permanente and the Coalition. The success of the organization and the Partner unions is attributed to the work, skill and education of Kaiser Permanente employees. In order to adapt to the rapidly changing health care environment, there is a need to invest even more fully in partnerships, people and new technologies, while continuing to provide the highest quality of care and service to health plan members.

The Coalition and management agree that a comprehensive workforce planning and development program will be jointly developed and implemented. The goal is to create a culture that values and invests in lifelong learning and enhanced career opportunities. Once the local union has been notified of the need for redeployment or position elimination, Workforce Planning and Development will be engaged. The joint efforts will also result in the development of infrastructure and tools to realize the full intent of the Employment and Income Security Agreement. By achieving these goals, employee retention and satisfaction will be increased, hard-to-fill vacancies filled, quality and service improved, and the Labor Management Partnership strengthened.

Significant investments are being made in Workforce Planning and Development programs and activities. In order to be successful, these programs and activities require organizational alignment, integration, coordination and efficient use of resources. The parties will assess the effectiveness of these activities and determine how to improve the overall program, including determining the appropriate yearly level of resources and investments.

The five key components to this work are Workforce Planning and Development, career development, education and training, redeployment, and retention and recruitment.

As a result of the 2010 Workforce Planning and Development subgroup, the 2010 Workforce Planning Implementation Exhibit is attached as Exhibit 1.D.3. In 2012 national bargaining, the Workforce of the Future subgroup created new hard-to-fill implementation agreements. The Hard-to-Fill section of Exhibit 1.D.3. is modified to reflect these new agreements.

The parties agreed in 2019 bargaining to explore new ways to partner on education and training for forecasted workforce needs that cannot be met by the incumbent workforce, apprenticeships, recruitment, training, funding and new program development.

The parties agreed to utilize the Workforce Planning and Development Committees at the local, regional and national levels to support career development and work to address the following:

» Create job shadowing programs, paid apprenticeship and internship programs for identified hard to fill positions
» Develop structured department orientation process
» Utilize leads or paid preceptors, etc. where appropriate
» Allow classifications to advance in career ladders
» Jointly create a process to identify and forecast Jobs of the Future and identify Hard to Fill Positions

a. Workforce Planning and Development

As Kaiser Permanente and the Coalition plan for the workforce of today and tomorrow, it is necessary to develop a set of ongoing processes that determine current workforce skill levels, current and

future workforce needs and formulate a strategy to assure alignment. The parties agree that Workforce Planning and Workforce Development must be integrated processes, and that successful workforce planning must include a commitment to internal promotions in the filling of vacancies. Therefore, existing policies, practices and contract language will be jointly reviewed and new policies developed to support internal promotions, including the harvesting of vacancies, development of redeployment processes, studies to determine the feasibility of in-sourcing career counseling services/functions that are currently performed by external providers and new incentives for managers to promote from within. Further, Labor will be provided with access to their job postings and engaged to build new jobs for future health care models. The regional Workforce Planning and Development teams will need to share direction changes brought on by federal and state regulations that affect labor positions so that Labor can be engaged in the development of future workforce strategies.

In order to remove barriers for current Kaiser Permanente employees to move into new/open/lateral and advanced positions prior to outside applicants (experience requirements and clinically unnecessary education requirements), the parties agreed in to 2019 bargaining to the following:

» The LMP Executive Committee will oversee the process to develop an evaluation of the membership, objectives, and the results of the national, regional, and facility workforce planning and development teams. The gaps and barriers identified as part of the evaluation will be addressed.

» The Workforce Planning and Development committees at all levels shall identify and remove barriers and enforce the language in Section 1.D.2.b and Section 1.D.2.c in the National Agreement. If they are unable to remove the barriers, it will be escalated to the regional LMP committee and/or the National LMP Executive Committee.

» Maintain existing or create regional joint labor-management committees to review and evaluate new and current job descriptions consistent with the process outlined in section 1.K.5 in the National Agreement or modified by mutual consent. Responsibilities would include, but not be limited to, the consideration of the deletion of unnecessary experience and/or qualifications for job requirements; jointly develop tools and processes to evaluate experience requirements and the equivalency process by set dates; and the creation of training or be willing to train on existing positions to help with the experience requirement barrier.

» The following additional considerations are relevant for implementation: membership clarification of the Workforce Planning Development team, including labor representation; clarity on goals; reporting structure and accountability; timelines and data and documentation transparency.

b. Career Development

In order to provide employees with opportunities for personal and professional development and provide the necessary resources to achieve their career goals, the Coalition and management agree that career counseling services will be made available in each region or national function to offer skills and interest assessments, individual and group career counseling and the development of individual employee development plans. Workforce Planning and Development Committees at all levels will work to allow classifications to advance in career ladders. In addition, a comprehensive infrastructure, including career ladders and lattices, career pathways mapping, occupational index tools, a career website, pipeline tracking database system and project management support will be established. The parties will jointly promote a communication strategy and approach to systematically capture core competencies, skills, education, licensure, certification and work experience, in order to enhance opportunities for Coalition-represented employee career mobility. The national team will be accountable for oversight and coordination with the regional and functional teams to ensure that the career counseling infrastructure is developed and deployed.

Further, the National Workforce Planning and Development team will continue to jointly develop career paths on a jointly agreed-upon schedule for Coalition-represented employees. The schedule will identify the next group of career paths to be achieved and the timelines for this work. The regional Workforce Planning and Development teams will explore ways to connect and coordinate career counseling resources with employees in transition. Specifically, these teams may jointly develop a job shadowing process that will afford employees an on-the-job experience of a new job choice prior to the employee entering into education programs.

Also, regional Workforce Planning and Development teams will establish a joint group to examine, set goals and develop criteria regarding preceptorships and mentorships. Preceptorship programs will be monitored and evaluated consistent with determined funding. Employees interested in career development will need to develop individual career development plans with the support of organization resources and systems, in collaboration with management.

The Parties agree that the present practice of requiring incumbent employees, who upgrade their skills and are seeking promotional opportunities within Kaiser Permanente, to have between one and two years, or more, of actual work experience as an employee in the classification that represents a promotional opportunity,

frequently results in capable, incumbent employees failing to achieve promotional opportunities or leaving Kaiser Permanente KP altogether. Since the Parties desire to have promotional opportunities filled by qualified, incumbent employees, we agree that the following provisions shall apply exclusively to incumbent employees, who otherwise lack the specified work experience and who successfully bid and are placed into positions that represent promotional opportunities.

1. Incumbent employees who successfully acquire the needed certification, license or other applicable credential shall be deemed qualified to be hired for a position irrespective of the experience requirements that apply to external candidates.
2. Successful applicants shall be placed at the Step 1 rate in a given classification with experience requirements of less than one year for external applicants.
3. Successful applicants shall be placed at the Step 1 rate, less 5 percent, in a given classification with experience requirements between one and two years for external candidates, and shall move to the Step 2 rate upon successful completion of one year of employment in the new position.
4. Successful applicants shall be placed at the Step 1 rate, less 10 percent, in a given classification with experience requirements of two years or more for external candidates and shall move to the Step 2 rate, less 5 percent, upon successful completion of one year of employment in the new position, and shall then move to the Step 3 rate upon successful completion of two years of employment in the new position.
5. In no case shall a successful applicant receive a pay reduction as a result of being placed into a position. If an applicant's current rate is greater than the rate for the position that the applicant successfully bids for and is placed into, then the applicant's rate shall be red-circled, until the scale exceeds their rate.

c. Education and Training

The workforce planning and development education and training objectives are to:

- prepare individuals to engage in learning processes and skills training;
- support employees in meeting their professional and continuing educational needs;
- train professional and technical employees for specialty classifications;
- provide education and training in new careers and career upgrades;
- support employees in adapting to technological changes;
- propose and test opportunities for building broader innovation capabilities for the front line; and
- ensure alignment with the needs of the organization.

To achieve these objectives, the parties will jointly develop criteria to determine which training is a priority. The parties will also solicit higher learning institutions and maximize Kaiser Permanente's leverage with outside learning organizations. Education and training programs should be able to accommodate multiple styles of learning, and both educational trusts should work toward offering consistent, online prerequisite curriculum. Following the completion of a training program, labor and management will work jointly to remove hiring barriers for employees.

The parties recognize the need to raise awareness of the availability of tuition reimbursement opportunities. Each regional team is responsible for determining the current utilization of tuition reimbursement, education leave (including continuing education units) and other allocated budgeted resources. The teams should then determine how to remove barriers to access (e.g., degree requirements) and increase participation in these programs. This may require amendment of local collective bargaining agreements and/or policies. The national team, working with the regional teams, will develop a communications strategy to raise the awareness levels in each region.

Tuition reimbursement may be used in conjunction with education leave by employees for courses to obtain or maintain licensure, degrees and certification. Tuition reimbursement dollars may also be used for basic skills programs (e.g., computer, basic math, second language and medical terminology courses). Tuition and continuing education reimbursement is offered at $3,000 per calendar year for all benefits-eligible Coalition employees scheduled 20 hours per week or more and who have been employed for at least 90 days. The tuition reimbursement benefit will be administered by a human resource function in a shared services environment.

Of the overall total annual reimbursement, represented employees may submit up to seven hundred fifty dollars ($750), effective January 1, 2020, for travel, room/lodging expenses (excluding meals) for courses, workshops, seminars, professional conferences, educational meetings and special events taken/attended for continuing education (i.e., CEU, PDU, CME, contract hours) in order to advance skills and obtain or maintain position-required licensure, or certification, provided they are taken at an accredited institution, professional society or governmental agency. This shall include obtaining required licensure for a position.

Travel reimbursement is not available for college undergraduate or graduate degree programs.

d. Redeployment

By April 1, 2016, each region shall develop and implement a consistent redeployment process, which will include local union leaders, national and regional Workforce Planning and Development, career counselors, recruitment, labor relations and operational leaders. The parties will build or refine redeployment process maps. This task will be supported by long-term and short-term

forecasting of strategic and operational changes that may lead to redeployment. These efforts will be both collaborative and transparent.

e. Retention and Recruitment

A major priority is to reduce turnover by implementing appropriate solutions throughout the organization. The implementation of the following programs is expected to produce significant savings for the organization over the life of the Agreement through reduction in employee turnover.

Exit Interview. The national team, working with regional teams, will develop an exit interview template that will be utilized to determine the reasons employees leave Kaiser Permanente or transfer from a particular work unit. The exit interview process will be analyzed by the designated steward(s) and supervisor(s) and reported to the national and regional teams on a quarterly basis.

Ambassador Program. Each regional team will develop an ambassador program where current employees volunteer to serve as ambassadors for recruitment activities and outreach events.

E. EDUCATION AND TRAINING

1. PRINCIPLES

In order to achieve the KP Promise, the vision of the *Pathways to Partnership* and enhanced organizational performance, a significant commitment must be made to the training and education of the workforce. Furthermore, most of the policies, commitments and plans described in this Agreement cannot be successfully accomplished without the committed efforts of Kaiser Permanente employees. Meaningful participation requires a high level of knowledge and understanding of the business of health care, the operations of Kaiser Permanente and the principles of the Labor Management Partnership. Therefore, the goal is a comprehensive, jointly administered, integrated approach to education and training. There will be a joint design and oversight team that provides new and ongoing training programs to all appropriate staff, including evaluation of training effectiveness.

2. TYPES OF TRAINING

The 2005 BTGs identified a variety of educational requirements necessary to advance the Partnership, support the development of high-performing, committed work teams and enhance the growth, advancement and retention of employees, as described in the 2005 Workforce Development BTG report. Types and categories of training, grouped by funding source, include:

» Career development (supported by national funding), for example, training current employees to:
  - › acquire basic skills and prerequisites for advancement;
  - › fill new or hard-to-fill positions/ technology changes; and
  - › advance life-long learning.

- General Partnership and National Agreement training (funded through the Partnership Trust), for example:
  - implementation of the National Agreement;
  - program development for unit-based teams;
  - application of the flexibility provisions of this Agreement;
  - Partnership orientation and other Labor Management Partnership training; and
  - performance-sharing programs.
- It is intended that all newly hired Partner union and management employees should be scheduled within four months (120 days) of being hired to receive Labor Management Partnership training, as defined by each region. As sponsors, the appropriate local and regional LMP leadership will be accountable to ensure this takes place.
- Key business strategies and initiatives (funded through operating budgets or local or national business initiatives), for example:
  - attendance;
  - service;
  - business education;
  - Kaiser Foundation Health Plan product offerings;
  - KP HealthConnect®;
  - employee health and wellness;
  - scope of practice;
  - benefits;
  - regulatory compliance; and
  - diversity.

3. STEWARD EDUCATION, TRAINING AND DEVELOPMENT

The CIC agreed to support union steward training and education and recommended that stewards have time available each month to participate in training and development activities. The parties agree to support stewards in training and development, such as:

- education and training programs;
- Stewards Council;
- Labor Management Partnership Council;
- Partnership-sponsored activities; and
- Partnership environment.

Training programs for stewards may be developed in the following areas:

- foundations of unit-based teams;
- improvement in Partnership principles;
- contract training on the National Agreement;
- fundamentals of Just Cause;
- leadership skills;
- effective problem solving; and
- consistency and practice.

Labor and management will work jointly on steward development. Accountability will rest with senior operational and union leaders on the Labor Management Partnership Council (or equivalent) in each region.

4. INTEGRATED APPROACH TO EDUCATION AND TRAINING

There are common themes and elements of training that should become consistent across Kaiser Permanente. Sufficient resources will be committed, as specified in this Agreement and by the regions, to create and deliver training programs and to enable employees to take advantage of those programs, supported by planned replacement where necessary. Integrated development of program-wide training programs should provide efficiency, cost effectiveness, higher-quality training and a more consistent experience for employees across Kaiser Permanente.

The National LMP Co-chairs will be responsible for ensuring an integrated approach to education and training, which will jointly address initiatives and topics identified as priorities for the Program. Criteria for prioritization will be:

» National Agreement implementation plans;
» organizational strategic objectives; and
» Partnership priorities.

In 2015, the parties identified the goal of creating a learning system that supports sustained behavior change, partnership and performance. To achieve this goal, the parties will:

» continue to engage LMP learning experts in assessing current learning systems;
» develop approaches that accommodate a range of learning styles, and deploy best practices in adult learning;
» offer a range of learning modalities and conduct tests of change to determine which are most effective;
» develop training, coaching and mentoring specifically to support mid-level leaders, who include management supervisors, union leaders and staff;
» develop a means of measuring outcomes and ensure that evaluation, feedback and continuous improvement are part of the learning system;
» create a system for selecting, coaching and certifying facilitators and trainers; and
» strive for consistency across the program to achieve the same partnership and employment experience wherever one works in KP.

Mid-level leader support shall include:

» joint, in-person training to set foundational expectations; Union and Management will receive the same curriculum and regular refresher trainings;
» refresher trainings occurring at least annually; they may include supplemental curricula delivered via new media and emerging technologies, such as online, mobile applications, WebEx and communities of practice; and
» separate training programs and/or educational forums that Management or Labor may choose to create to address specific needs.

Exhibit 1.E.4. contains the implementation timeline and learning modalities.

5. LMP EDUCATION AND TRAINING

In 2019 bargaining, the parties agreed to a full review of LMP education and training materials and other planning by a designated working group (including earlier IR-SC work, with appropriate representation).

» Align the LMP education and training to improve operational performance outcomes (ensuring that the Partnership is focused on a core group of high priority organizational and mutually agreed upon strategic objectives — the value compass), as well as educating people on the history and function of the Partnership (including mutual obligations and reciprocal responsibilities).

» Consistent, system-wide delivery of the revised materials that come from the above review.

» Include the LMPO in the new hire on-boarding process for the workforce and managers who are new to the partnership, in a defined time frame.

» Expand the cadre of people capable of delivering the training for long term sustainability.

» Bring in subject matter experts on education and training as appropriate.

» Link to existing metrics, such as the People Pulse, as well as a review of P3 process, and progress on the high priority metrics as measures of success (not just measures of the number of people trained but actual gains in how the organization operates).

» Identify the proper stakeholders to ensure completion and results at all levels.

F. STAFFING, BACKFILL (PLANNED REPLACEMENT), BUDGETING AND CAPACITY BUILDING

1. PLANNED REPLACEMENT AND BUDGETING

Providing a work-unit environment where quality of care and employee satisfaction are not compromised by fluctuations in staff is a crucial concern. The parties commit to resolving the complex issue of staffing and planned replacement in a comprehensive manner. Planned replacement means budgeted replacement time for employees' time away from their work unit (e.g., to participate in training, Partnership activities, approved union work or to take contractual time off, including unpaid leaves of absence). In addressing the issue of planned replacement, the objectives are to jointly define the circumstances in which planned replacement will occur, using the following criteria:

» plan for and schedule replacement activities wherever possible, so that planned replacement objectives can be successfully achieved;

» provide planned replacement so employees are able to use leave benefits appropriately and take time off related to activities listed above;

» provide adequate staffing within the budget to cover the work operations and other work-related requirements by creating a planned replacement line item at all budgeting levels;
» ensure forward-looking and realistic planning to anticipate and provide for future staffing needs;
» support the attendance provisions of this Agreement;
» budget and plan realistically to provide for all components of legitimate time off from work and apply those budget components as intended; and
» accurately track time off requests and responses to provide managers and employees with transparent data on time off.

The parties will conduct and complete a gap analysis (i.e., the difference between needed average amount of time off and current budget practice) for planned replacement in each region prior to the 2007 rate-setting process. Planned replacement will be incorporated into rate-setting and budgeting processes for all departments beginning with the 2007 cycle. The parties will mutually agree on the phasing in of additional resources for planned replacement in 2006, and regional market conditions will be a factor in those considerations.

In departments where management and the unions agree that the budgetary process meets the objectives as outlined above, the process does not need to be modified. Those departments without an effective joint staffing, budgeting and planning process in place will observe the joint staffing provision below and incorporate the recommendations taken substantially from the *2005 Attendance BTG Report*, Concept No. 3, and pages 20–23 (attached as Exhibit 1.F.). Timing will be determined jointly at the regional level.

Per Diem/On-Call Conversion.
The parties are committed to ensuring that individuals working more than 1,040 hours per year receive benefits under conditions outlined below.

Additionally, the parties are committed to utilizing staffing patterns that maintain operational flexibility at the same time we recognize the importance of relying on regular full-time and part-time staff to the greatest extent possible. Immediately, the parties will review all available information for the purpose of determining which employees now classified as per diem, on-call or limited part time should be classified as regular part-time if they satisfy the following criteria. For the purposes of the review, the parties will use hours worked during the period of August 1, 2014, through July 31, 2015. Those that will be reviewed must satisfy the following criteria:

1. Employees who have worked 1,040 hours or more, in a singledepartment, in the most recent twelve month period for which data is available. Credited hours will exclude time worked to cover leaves of absence and special projects.

2. Employees who have worked 1,040 hours or more, in a combination of departments, subject to the criteria outlined in 1. above, may be eligible to be classified as regular part time as "float-pool" employees and may be assigned by the Employer to work in a department or multiple departments/facilities for which they are qualified to work. Not all employees in this category will be converted. The intent of this provision is to convert those employees that the parties agree have met the eligibility requirements outlined above while also considering the Employer's staffing needs. Every reasonable effort will be made to convert such employees to regular part-time status. Individuals covered under criteria 1. and 2. above shall be converted, unless the individual declines the regular part-time status, the first full pay period following September 30, 2015. Should the parties disagree as to the eligibility of employees for conversion, they shall use an interest-based problem-solving approach to resolve the issue.

Going forward, the parties will utilize the process set forth in the respective collective bargaining agreements. The parties further agree to undertake a systematic review of the balance of FT/PT, per diem and on-call positions under the auspices of the LMP Executive Committee, with the objective of finding an appropriate balance of positions. This review will begin immediately following the ratification of the National Agreement. Regular quarterly reports shall be made to the LMP Executive Committee until the review is complete.

2. A JOINT STAFFING PROCESS

As unions and management continue to integrate Labor Management Partnership structures into existing operational structures, Partner unions will become more involved in business planning and resource allocation decisions. These decisions are intricately tied to the shaping of staffing plans and decisions to adjust resource allocations during budget cycles.

Therefore, the parties agree that throughout this integration process, they will implement joint staffing processes. This work will include jointly developed staffing plans that consider the following factors:

- mutually acceptable numbers, mix and qualifications of staff in each work unit;
- planning for replacement needs;
- patient needs and acuity;
- technology;
- inpatient and outpatient volume;
- department/unit size;
- geography;
- standards of professional practice;
- experience and qualification of staff;
- staff mix;
- regulatory requirements;
- nature of services provided;
- availability of support resources;
- model of care;
- needs and acuity of the entire medical facility as well as specific department/unit;

» consideration and support for meals and breaks; and

» departmental/area budgets.

Adherence to any and all guidelines promulgated by any reviewing or regulatory agency and any other applicable laws or regulations is mandatory. A staffing and budgeting model appears in the *2005 Attendance BTG Report*, Concept No. 3, pages 20–23; (attached as Exhibit 1.F.). The joint staffing language in this Agreement, together with the model in the BTG report, should provide the framework for staffing discussions and decision making.

3. FORECAST AND OUTLINE PATIENT CARE NEEDS OF THE FUTURE

Within 90 days after ratification, the parties shall convene a national oversight committee, composed of senior leaders from Kaiser Permanente and the Coalition, to identify barriers to be removed to consistently implement the current language in National Agreement Sections 1.F.1., 1.F.2. and Exhibit 1.F. This committee will define a framework for regional implementation, work on issues related to the use of current and relevant data, and have concluded deliverables within one year, or extend by mutual agreement.

4. CONTRACT SPECIALISTS

The ability to fully engage frontline workers in Partnership activities has been limited by a lack of union capacity. Stewards have had the difficult task of balancing their traditional representational duties related to the administration of collective bargaining agreements and engaging in Partnership activities. To empower stewards to fully assume their leadership roles in Partnership activities, the parties agree to the establishment of a new role, Employer-paid Contract Specialists.

It is anticipated that this role will advance the Partnership by:

» allowing stewards more time to focus on Partnership implementation at the facility and work-unit level;

» building expertise and promoting consistency in contract interpretation and implementation through Contract Specialists who partner with local HR Consultants; and

» building capacity through the development of many contract experts.

Each Coalition bargaining unit will be allocated a minimum of one full-time equivalent (FTE) Contract Specialist, or portion thereof, for every 1,200 bargaining unit employees. In each region, each Coalition International Union will apply the 1:1,200 ratio to its total membership to determine the number of Contract Specialists. The Contract Specialists will be appointed by the union, with Employer input, and will be directed by and accountable to the local union. Their duties will include, but not be limited to, contract interpretation and administration, contract education, guidance in grievance and problem resolution, improvement in shop steward capacity and consistent contract

application. The Contract Specialist will partner with the HR Consultant or equivalent. Normally, it is expected that Contract Specialists will serve a single, one-year, non-renewable term. The pay, benefits and conditions of the Contract Specialists will be in accordance with the standard Labor Management Partnership Lost Time Agreement.

Many unions currently have Employer-paid liaison positions. Management and the local union will collaborate and attempt to reach a consensus decision on converting current liaison positions into Contract Specialist positions. It is possible that a union may elect to maintain the current number of liaison positions in lieu of a Contract Specialist, or choose a combination of Contract Specialist and liaisons, or eliminate all liaison positions and replace them with Contract Specialists. In the event that a local union does not have a liaison, it may choose to select a liaison(s), instead of a Contract Specialist, at the ratio described above. Local unions will set policies for liaison and Contract Specialist positions such as term length (e.g., single one-year, non-renewable term, etc.). Local unions that currently have liaison positions exceeding the 1:1,200 ratio cited above will maintain their current FTE ratio.

5. TRAVELERS AND REGISTRY PERSONNEL

During the first ninety (90) days following National Bargaining, Kaiser Permanente commits that management in Southern California and the Northwest will meet with affected union leaders to review and resolve issues related to the use of travelers and registry personnel.

G. HUMAN RESOURCE INFORMATION SYSTEM (HRIS) PROCESS CONSISTENCY REGISTRY

The CIC adopted HRIS provisions regarding benefit eligibility and effective dates for across-the-board (ATB) increases and special adjustments, which are incorporated in Section 2 of this Agreement. The parties further agreed that longevity steps that are converted to differentials will be included in base pay for purposes of final average pay calculations when determining defined-benefit pension benefits, and will be included when determining definedcontribution percentages.

In addition, certain provisions were adopted that are to be incorporated into each local collective bargaining agreement, including consistency provisions relating to:

- bereavement leave;
- jury duty;
- effective dates of step increases;
- longevity pay; and
- alternative compensation program terms.

The Labor Relations Sub-Group will continue to work with the PCP Team during the term of the Agreement as issues are identified that the parties

agree require changes to collective bargaining agreements.

H. TOTAL HEALTH

Kaiser Permanente and the Coalition are committed to the total health and well-being of employees and to work-life practices, programs and services that balance work and lifecycle challenges. The Total Health program is a long-term business strategy for KP. KP's ability to offer a fully integrated and high-quality model of care is an imperative that needs to be reinforced at all levels of the organization. To the extent that employees can model Total Health, such personal leadership creates a competitive advantage for KP. As such, it is critical to educate all employees about the business case for Total Health, including the costs associated with health risks and the benefits associated with limiting such risks. Employees who are supported in balancing their work and personal lives and reducing their health risks are more effective in their work, more productive as team members, and better able to deliver quality health care and service to members/patients. The organization's responsiveness to individuals' needs, both on and off the job, is a powerful predictor of productivity, job satisfaction, commitment and retention. Accordingly, Kaiser Permanente and the Coalition will work in Partnership to establish an infrastructure to support and manage total health services, and all joint partnership bodies will address Total Health and its programs.

1. WORK-LIFE BALANCE (WLB)

The parties agree to create a Work-Life Balance (WLB) division of Human Resources, resulting from realignment of the current employee assistance program (EAP) at all levels. This infrastructure will help ensure that the work-life balance services offered are consistent program-wide while fostering better communication about the availability of the services. The WLB division will include health promotion, employee assistance and referral services, and will enable the organization to offer more robust work-life balance services to employees that lead to cost savings, employee retention and increased employee satisfaction.

Resources for the WLB division at the national level will include a director of WLB, a dedicated labor partner, a project manager, analytical staff and existing EAP resources. Additional resources will be identified at the regional and local level as needed to effectively support the WLB division and should be integrated with unit-based team infrastructure to the extent practical.

The Strategy Group will provide program-wide oversight for the WLB division. Regional and local WLB committees with management, union, physician, dentist and EAP representation will provide support to the division.

2. TOTAL HEALTH AGREEMENT

Kaiser Permanente (KP) and the Coalition of Kaiser Permanente Unions (Coalition) share the goal of creating the

healthiest workforce in the health care industry by improving the quality and length of employees' lives and enhancing the effectiveness and productivity of the organization.

The parties, through the Labor Management Partnership (LMP), commit to creating a workplace environment and culture that helps employees to collectively stay healthy and helps them to collectively reduce their health risks, including their risk of occupational injury and illness.

The cornerstone of this commitment is to attain industry-leading results in the areas of body mass index (BMI), smoking rates, A1C and blood pressure levels, and the incidence of workplace injury. The parties share a commitment to measure and regularly report aggregate data for the employee population with respect to these foundational indicators of the health and wellness of all employees, in keeping with our joint tradition of being a continually improving, learning organization that responds to data and evidence.

The parties agree that in order to achieve this vision, the LMP Strategy Group shall empower a program-wide leadership group (the Total Health Leadership Committee) of appropriate representatives of the Coalition and KP to oversee and implement all of the work associated with creating a comprehensive Total Health program for KP employees. This committee shall endeavor to jointly develop policies and practices that show:

» a commitment by senior KP and Coalition Union leaders to make employee health a core business strategy and reinforce it through visible sponsorship and communication;
» a commitment by operation leaders to create a supportive, safe, healthy workplace environment;
» a commitment to create dedicated workplace leaders so that work teams can take ownership of employee health and wellness and integrate healthy practices into the work unit;
» a commitment to reward and encourage healthy choices by the workforce; and
» a commitment to establish consistent outcome measures to track results.

a. Creating a Healthy Workplace Culture and Environment

The parties agree, through the Total Health Leadership Committee, to jointly create and promote a healthy workplace environment. The parties shall address, but are not limited to, the following issues: a healthy physical workplace environment; healthy and affordable food options at the workplace; and opportunities for employees to engage in healthy activities at the workplace on non-work time. (See Exhibit 1.H.2.a.)

The parties will jointly maintain the Total Health dashboard that reports and makes available to employees biometric measurements in the areas of BMI, smoking rates, A1C, cancer screenings and blood pressure levels, and the incidence of workplace injury.

b. Educating and Engaging Employees as Active Leaders in Their Health

In order to achieve the vision of the healthiest workforce in the health care industry, the parties agree that employees be educated about their health and wellness so they can make knowledgeable, healthy choices. To reach Total Health goals, the parties shall conduct a joint assessment, including an inventory of current capacity to support employee health, wellness and safety; set a timeline to complete the joint assessment; and evaluate successful practices that allow the parties to provide consistent education for employees across Kaiser Permanente.

c. Coalition Union and Management Leadership

In order to achieve the goal of creating the healthiest workforce in the health care industry, the parties acknowledge the necessity of thousands of rank-and-file union leaders and their management counterparts playing an active and ongoing leadership role in creating a transformative culture of health at Kaiser Permanente. As such, the parties commit to jointly develop principles and recommendations regarding new leadership roles and structures across the organization.

3. COMMUNITY ENGAGEMENT

In 2015 the parties identified the following opportunities to promote total health in the communities where we live and work:

- integrate Labor into regional community benefit governance councils and service area community benefit groups, as the Executive Director of the Coalition currently sits on the KFHP/H Board of Directors Community Benefit Committee;
- establish a Labor Community Health Partner (LCHP) and Community Benefit (CB) lead in each region or service area to work with local community benefit teams:
  - use existing local labor process to select the LCHP;
  - their LCHPs' primary responsibilities are to serve as the local liaisons to Community Benefit efforts and integrate union and Kaiser Permanente community work efforts;
  - jointly review community needs assessments to inform engagement efforts;
  - develop opportunities to collaborate on interests, strategies and activities;
  - provide regular updates to, and engage the LMP Council in, support for joint efforts; and
  - work together to determine and request appropriate release time for the LCHP.
- nationally, develop a standard toolkit for volunteers that can be customized locally; the toolkit will include how to represent Kaiser Permanente and Labor, safety guidelines and basic community information;
- enhance KP Cares to gather interests from all Coalition-represented employees and to aggregate those

interests by region and by local area to align efforts;

» encourage regions to recognize KP employees for volunteer and community benefit efforts;

» develop a campaign for internal awareness of the Total Health community engagement efforts between KP and the Coalition; and

» develop strategies to integrate KP members in community efforts.

4. PROGRAMS AND SERVICES

a. Employee Health Care Management

Kaiser Permanente will offer an employee health care management program to help employees manage their chronic diseases and other existing health issues. This program is further described in Section 2.B.3., Other Benefits.

b. Health Promotion

Health promotion focuses on keeping people healthy. Kaiser Permanente will offer services to enable its employees to focus on prevention and Thrive by actively promoting a healthy and balanced lifestyle. To achieve this, local facilities will implement and coordinate health and wellness services aimed at improving the quality of work and personal life for all employees. Health promotion services and programs may include, but are not limited to, self-help classes, support groups, stress management, conflict management and cultural sensitivity/awareness training.

c. Employee Assistance Services

Employee assistance services are intended to maximize employees' ability to cope and remain productive during stressful events and life crises. Such services should be sponsored nationally and implemented locally. They include work-life problem assistance, such as drug and alcohol assistance assessment and referral, short-term family counseling and manager/union consultation services. Life crisis services include emergency financial aid and grief counseling.

d. Referral Services

Referral services provide a caring environment that is sensitive to the variety of employee needs. Company-sponsored, -arranged or -subsidized services may be provided, including discounts for goods and services. This should benefit employees with minimal added cost. Examples include mass transit incentives, financial counseling services, concierge services and computer discounts. Some of these services are provided currently through regional employee activity programs. Expansion of these services nationally may be evaluated by the Strategy Group during future years of the contract.

e. Donating Days

The Partnership should create a mechanism for employees to voluntarily donate some earned time off, vacation or life-balance days to employees in need.

In addition, Kaiser Permanente will establish a recognition week celebrating the founders of Kaiser Permanente and

a Memorial Day tribute to recognize and honor deceased employees on the Friday before Memorial Day.

5. MANDATORY OVERTIME AND ASSIGNMENTS

The parties' vision is to make Kaiser Permanente the best place to work, as well as the best place to receive care. Through the Partnership, unions, management and employees share responsibility, information and decision making, to improve the quality of care and service, and enrich the work environment. The ability to rely on a stable schedule is fundamental not only to this equation, but to achieving balance between work life and personal life as well. As a result, the parties have committed to discontinue mandatory overtime practices, with the overall goal of avoiding the mandatory assignment of any unwanted work time. The *Mandatory Overtime—Principles and Tools* document agreed to by the parties is attached as Exhibit 1.H.5.

I. PATIENT SAFETY

1. CREATING A CULTURE OF SAFETY

Improving the quality of care delivered to members and patients requires significantly increasing the reporting of actual errors and "near misses." It is recognized that the reporting of such errors can only improve if employees are assured that punitive discipline is not seen as the appropriate choice to handle most errors. We must jointly create a learning environment which views errors as an opportunity for continued, systematic improvement. This environment must encourage all employees to openly report errors or near misses and participate in analyzing the reason for the error and the determination of the resolution and corrective action needed to prevent reoccurrence.

The reporting system will include the following components:

» reporting of errors, with systematic, standardized analysis of errors and near misses;

» communication of learning to help make needed policy and procedure changes;

» confidentiality of involved employees unless prohibited by statute or law;

» involvement of staff in error analysis and/or resolution;

» positive reinforcement for reporting;

» training and education programs that enhance skills and competency to help prevent future errors;

» maintenance of the integrity of privileged information; and

» ability to collect and trend data across the organization.

Information regarding errors reported through this system will be handled through the Issue Resolution/Corrective Action process of this Agreement and will not be used as the basis for discipline except in rare cases when punitive discipline is indicated, such as the employee:

» was under the influence of drugs or alcohol;
» deliberately violated rules or regulations;
» specifically intended to cause harm; or
» engaged in particularly egregious negligence.

Reporting through this system does not relieve the employee of the responsibility to complete an incident report when indicated by policy.

2. FLU PREVENTION

The Coalition and Kaiser Permanente are committed to the highest standards of patient safety and employee health. Accordingly, Kaiser Permanente and the Coalition agree that effective October 1, 2015, all health care workers will be required to have received a seasonal influenza vaccination or, if they decline for any reason, to wear a surgical mask for the duration of the influenza season while working in patient care areas. Prior to October 1, 2015, the Coalition and Kaiser Permanente will develop guidelines and policies for flu vaccination.

J. WORKPLACE SAFETY

Kaiser Permanente and the Coalition believe that an injury-free workplace should be the goal and responsibility of every physician, dentist, manager, union leader and employee, and an essential ingredient of high-quality, affordable patient care. Working in Partnership, we are establishing the health care industry standard by setting the goal of eliminating all causes of work-related injuries and illnesses to create a workplace free of the risk of injury and illness, where people feel free and safe to report work-related injuries and illnesses.

1. CREATING A CULTURE OF SAFETY

Kaiser Permanente's goal is zero workplace injuries for all Kaiser Permanente employees, physicians and dentists. In order to be successful, a culture of safety must be created in which safety is a core business and a personal value, and prevention is more effective than injury management.

The leaders of Kaiser Permanente and the Coalition have committed to continuing support for cultural change, the implementation of systems and alignment among all contributing Kaiser Permanente departments which are necessary to reach the goal.

The Principles of Partnership will be used to engage frontline staff and supervisors in implementing the remedies that will eliminate hazards that cause injuries. The parties agree to:

» provide sponsorship and resources necessary for a broad and sustainable approach to workplace safety (WPS);
» early joint communication and planning for emergency preparedness to ensure engagement of all workers, regardless of job classification, in the event of a potential crisis, from planning to implementation;

- use the People Pulse learning climate index to improve the safety culture for workers and expand it to include KP members. This index will be shared annually with labor consistent with the national process and timeline for People Pulse dissemination and action planning; and
- institute joint planning to identify activities that support both wellness and worker safety (national, regional and local levels), similar to the WPS planning segment in the 2012 National Agreement.

2. COMPREHENSIVE APPROACH TO SAFETY

Successful WPS efforts are comprehensive and require strong leadership from the health plans, hospitals, dental group, medical groups and unions. To that end, the parties commit to implement a comprehensive plan for each region that sets challenging goals, defines accountabilities and creates a supportive environment with active work-unit engagement. The plan should include sustainable implementation goals and a timeline with milestones for progress. The program requires that accountability for WPS be integrated into health plan, hospital and medical or dental group operations, business plans, performance metrics, budgets and strategic planning efforts, and emphasizes the collective responsibility for WPS in each work unit. The parties will include the regions in benchmarking workplace safety investments and providing guidelines for regional and local implementation.

In order to ensure successful implementation of the WPS program, the Employer and the unions agree to support training, partnership activities and work team engagement related to WPS, in accordance with the Planned Replacement provisions of Section 1.F.1.

3. NATIONAL DATA SYSTEM

The parties will:

- continue to develop and enhance the utilization of a national data system and structure that supports the needs of WPS teams, leadership and operations;
- design an enterprise-wide safety hazard and follow-up reporting system and establish an oversight and escalation process through existing safety committees. Follow-up should address learnings from incident analyses and preventive measures beyond specific event and location. This work is to be completed as soon as practical, but not later than December 2017 and implemented across KP by December 2018; and
- establish a national KP library of effective WPS practices and educate labor, staff and managers in safer practices. Develop and implement a plan to spread these effective practices across the program.

4. BLOODBORNE PATHOGENS

The parties will continue support of the National Sharps Safety Committee (NSSC), chartered by the Labor Management

Partnership to pursue the goal of selecting and recommending the provision of the safest sharps safety devices. In the event of an issue or disagreement arising out of National Product Council actions regarding a recommendation from the NSSC, the appropriate problem-solving processes under Section 1.L. of the Agreement may be utilized.

5. INTEGRATED DISABILITY MANAGEMENT

As part of a comprehensive approach to WPS, an integrated disability management (IDM) program, appropriate for each region, will continue during the term of this agreement. IDM is defined as a comprehensive program that provides a rapid return to work for employees with occupational and non-occupational injuries, illnesses or disabilities to best meet the needs of employees by improving and supporting overall workforce health, productivity and satisfaction while reducing costs for the Employer in lost time and productivity.

An integral part of a successful IDM program involves removing barriers for employees who are able to return to temporary, alternative or modified work after an injury, illness or disability. To that end, the Employer agrees to facilitate an employee's return to work by making every effort to liberalize work requirements, and the unions will work collaboratively with the Employer to identify temporary, available and appropriate work assignments for the affected employees. While in the IDM program, the affected employees may be placed into temporary work that may include assignments in another bargaining unit, as long as the assignment does not affect the process for filling vacancies and the work available for current employees in the workgroup. When assigning work to affected employees, the Employer will attempt to assign them to duties in their own bargaining unit before placing employees temporarily into another bargaining unit. Temporary assignments into different bargaining units should occur infrequently, and will require collaboration and coordination. In the event it is not possible to assign the employee duties within his/her own bargaining unit, the parties will jointly determine if temporary assignment within another bargaining unit is possible.

The affected employee may remain in a temporary assignment for up to 90 days. During this time, the employee's bargaining unit status will be maintained with all rights and responsibilities. After 90 days, the parties will meet and must mutually agree to the extension of any such temporary work assignment as appropriate.

Labor and management will evaluate the effectiveness of the IDM program and its implementation, present recommendations and implement approved changes. The timeline for implementation is found in Exhibit 1.J.5.

6. WORKPLACE VIOLENCE PREVENTION

The parties made a joint commitment to a shared goal of zero tolerance for violence in the workplace. The National LMP Co-chairs will appoint a national team to conduct a program-wide analysis to improve violence prevention. This team will consider the following subject areas in its analysis and ensuing recommendations:

» education and training;

» communications;

» EAP;

» organizational consistency; and

» data and reporting.

Once the team has completed its analysis, it will create recommendations for developing consistent violence prevention programs. The team will report recommendations to the National LMP Co-chairs, who will review and consider appropriate next steps. Labor may also independently make recommendations to management regarding possible workplace violence prevention policy changes based upon the analysis.

See Exhibit I.J.6. for the additional information.

7. ERGONOMICS

The parties agree to pursue implementation of proactive ergonomics programs, including safe patient handling, office ergonomics and material handling. This will include educating staff about existing resources, standards and policies with a goal of prevention.

8. UNION INDEMNIFICATION

In consideration of full and active participation by the member organizations of the Coalition in the WPS program, and in recognition of the potential liability which might result solely from that participation, Kaiser Foundation Hospitals and Kaiser Foundation Health Plan, Inc. agree that they, or one of the subsidiary health plan organizations of Kaiser Foundation Health Plan, Inc., will indemnify Coalition unions and their officers and employees, and hold them harmless against any and all suits, claims, demands and liabilities arising from or relating to their participation in WPS with Kaiser Permanente.

K. UNION SECURITY

1. UNION LEAVES OF ABSENCE

In support of the Partnership relationship, upon request, the Employer will grant time off to employees for official union business as long as the number of employees absent for union business does not impose an unreasonable burden on the Employer and the Employer receives reasonable notice.

Union leaves will be defined according to the following:

Short-Term Leaves are defined as leaves up to 30 days. Employees will continue to accrue seniority, service credit and benefits during the time of the absence, at the expense of the Employer. The

impact of multiple short-term leaves on the operations must be considered.

Long-Term Leaves are defined as leaves of absence for more than 30 days and up to a maximum of one year. Such leaves will be granted by the Employer in increments of three months and shall be jointly reviewed, on a periodic basis, at the regional level. Seniority, service credit, credited service and health, dental and life insurance benefits will continue during the leave as long as the union reimburses Kaiser Permanente for the associated costs.

Elected Official Leave. Any employee elected to a union office will be automatically granted a leave of absence for the duration of the term or three years, whichever is less. Employees must return to work after the completion of one term. Seniority, health, dental and life insurance benefits will continue during this time, as long as the union reimburses Kaiser Permanente for the associated cost. Service credit and credited service will be applied for a maximum of two years, as long as the union reimburses the Employer for such costs. As provided in local agreements, leaves beyond one term may be granted, but will not include service credit.

Kaiser Permanente will pay employees for absences in order to participate in grievances, issue resolution meetings, Kaiser Permanente work committees and interest-based negotiations under Section 3.E. of this Agreement. Paying employees for participation in panel arbitrations will be the decision of senior union and management leaders in the region.

The Employer and the leaders of the Partner unions will work together to ensure reasonable notice and to minimize impact on service and care delivery associated with this provision.

2. CORPORATE TRANSACTIONS

The parties recognize that unions and Employers do not stand still. Unions merge with each other, or in some cases, split into smaller parts. Employers buy and sell operations, spin off business units, merge with other entities or otherwise restructure their operations.

Through implementation of the Partnership principles embedded in this Agreement, the parties expect to establish open communication concerning business and organizational issues affecting their respective operations. The parties anticipate that in most instances through such communication and the Partner unions' ongoing involvement in Kaiser Permanente's business matters, the unions will be aware of business issues that may cause Kaiser Permanente to consider transactions such as those described above. In such circumstances, the parties contemplate that they will move to more formal discussions concerning such contemplated transactions as Kaiser Permanente's consideration of options proceeds. The parties intend that the Coalition and the affected Partner unions will be involved in such consideration in a manner

consistent with Partnership principles and that the legal and contractual rights of the affected employees will be honored in any resultant transaction.

3. VOLUNTARY COPE CHECK-OFF

The Employer agrees to administer a voluntary check-off of employee contributions to Partner union political education and action funds, consistent with the private letter ruling received from the IRS in 2001. The program includes the following provisions:

» contributions to the political education and action funds are voluntary for employees;

» the union is responsible for obtaining check-off authorization from each employee who wishes to have a voluntary payroll deduction; and

» the union will reimburse Kaiser Permanente for the costs of administering the payroll deductions.

4. SUBCONTRACTING AND OUTSOURCING

Consistent with current practice, management reserves the right to meet immediate day-to-day operational needs by contracting for services, for example, through registries, temporary services, etc.

The Parties reaffirm a Partnership presumption against future subcontracting of bargaining unit work.

For the term of this Agreement, this section has been supplemented by the Memorandum of Understanding Regarding Subcontracting and Outsourcing between Kaiser Foundation Health Plan/Hospitals, The Permanente Medical Groups and the Coalition of Kaiser Permanente Unions, AFL-CIO, dated September 25, 2019 (attached as Exhibit 1.K.4.), and shall replace the July 15, 2005, Memorandum of Understanding Regarding Sub-Contracting.

5. UNION REPRESENTATION OF NEW POSITIONS

Principles. The parties agree that Partner unions maintain strong fundamental interests in preserving the integrity of the bargaining units. The parties also agree that achieving the Labor Management Partnership's goals of making Kaiser Permanente the health care employer of choice in all of its markets and maximizing workforce engagement as a principle means of achieving success requires that all parties commit to maintaining and enhancing bargaining unit integrity. The parties further agree that it is not in the interest of either Kaiser Permanente or the Partner unions for jobs to be created or restructured for the purpose of removing work from a bargaining unit. Furthermore, the parties agree that it is essential for them to work together to assure that newly created and restructured jobs that are appropriately included within bargaining units are not improperly excluded from them.

For these reasons, the parties have adopted the following procedures for reviewing and determining the status

of newly created and restructured jobs with duties and responsibilities similar to those of positions included in Labor Management Partnership bargaining units.

While this process is intended for newly created jobs, this process may be used to determine the bargaining unit status of current positions that are in dispute, provided the parties mutually agree, at a local and national level, that it would be beneficial to use this process for that purpose.

If the local parties have an agreed-upon process for reviewing newly created positions that provides for an expedited and timely resolution to the issue, that local process should prevail or they may mutually agree to use the process below.

Process. When the Employer creates a new position or restructures, including replacement of a union position with a non-union position with duties similar to those of employees in a Labor Management Partnership bargaining unit, the Employer will notify the appropriate union at least five working days before posting.

The Employer and the union will meet to review the position jointly within five working days of notification. The Employer and the union will present their reasons and recommendations concerning the bargaining unit status of the position. The parties will jointly discuss the position, the reasons for the Employer's determination, and attempt to reach agreement on the status of the new or revised job.

If the Employer and the union agree that the job is a bargaining unit position, it will be evaluated and posted under the contractual process for bargaining unit positions. When a position is determined to be a bargaining unit position, any identical positions which subsequently become available in the region will be posted as bargaining unit positions.

If the parties agree that the job is not a bargaining unit position, it will be evaluated and posted under the applicable regional process for such positions.

If the parties are unable to agree whether the job is a bargaining unit position, then the matter may be submitted as a dispute to an expedited Issue Resolution process. The parties will appoint a standing panel with the responsibility of expeditiously reviewing the facts with each party's perspectives and issuing a timely determination. Optimally, the standing panel would include several neutral parties with an inherent understanding of the complex issues involved in such determinations, and sufficient flexibility in their schedules to expeditiously hear pending issues. The panel will be accountable to the LMP Executive Committee, who will ultimately determine the composition of the panel and who may elect to appoint one or more Strategy Group members, or their designees, to the standing panel. The panel will be appointed by January 1, 2006.

The expedited process may be initiated by notification to the OLMP. The OLMP will notify the members and convene the panel. The panel will be available for a

meeting, in person or by teleconference, within two weeks of notification, with the purpose of reaching a decision in the matter. If a decision cannot be made in the initial meeting, another meeting will be scheduled as soon as possible. If the decision has not been made within the two-week period following the notification to the OLMP, the position may be posted and the posting will clearly indicate:

» the position is under review;

» whether or not the position is a union or non-union position is undetermined at this time; and

» if it is determined that the position is appropriately within the bargaining unit, the incumbent will be required to be part of the bargaining unit.

If it is ultimately determined that the position is a bargaining unit position, and a job offer has not been made to a candidate before that determination, the position will be re-posted as a bargaining unit position.

The Labor Relations Subcommittee of the Strategy Group will review activity and provide reports to the LMP Executive Committee as necessary.

6. NEW EMPLOYEE ORIENTATION

In the interest of promoting the Labor Management Partnership, the Employer shall provide Coalition Unions access to new employee orientation (NEO) meetings to explain Union membership, the local Union contract, the National Agreement and the cooperative partnership relationship between the Coalition of Kaiser Permanente Unions and the Employer. The Union portion of NEO meetings shall be a minimum of one hour, with mandatory attendance by new employees. Employees changing from nonrepresented to represented may be invited to attend NEO meetings. The Employer shall provide Coalition Unions the date and times of NEO meetings at least one week in advance, and shall provide the names of new bargaining unit employees attending NEO sessions at least two days in advance of the meeting. The Employer agrees to provide a positive image of the Union and Union representation and shall remain neutral with regard to Union membership. The Coalition Unions agree to present a positive image of the Employer.

L. PROBLEM-SOLVING PROCESSES

This Agreement contains three different problem-solving processes, each with a different purpose. The first is the Issue Resolution process. Issue Resolution is used in conjunction with Corrective Action, and to problem solve any department issue in an interest-based, rather than in a more traditional, adversarial manner. For most practical purposes, this is the problem-solving process that will be used most by the parties on a local level. Issues involving Coalition members should be resolved with Coalition representatives. Supervisors and stewards will be trained in the problem-solving skills/issue resolution process, including existing modules for

root cause analysis and problem-solving skills (including review and adjustment of forms, as needed).

The second problem-solving process is a Partnership Review Process. This is a specific process designed to problem solve only disputes or differences of interpretation of Section 1 of the Agreement and certain designated provisions of Sections 2 and 3. The third process was designed specifically to address disputes or differences of interpretation of all other provisions of Sections 2 and 3 of the Agreement. This process is found at the end of Section 2.

1. ISSUE RESOLUTION AND CORRECTIVE ACTION PROCEDURES

An effective procedure for resolving issues is fundamental to the long-term success of the Labor Management Partnership. Solving workplace concerns quickly and by those most directly involved is essential to reducing conflicts, grievances and patient/member complaints. It will also contribute to better relations and a more constructive work environment. Issue Resolution and Corrective Action work in tandem to achieve these outcomes. To that end, the procedure has two components:

» a system for raising and quickly resolving workplace issues using interest-based problem solving by those directly involved with the issue; and

» a method of resolving performance and behavior issues in a non-punitive fashion in which employee, supervisor and union representatives work together to identify the problem and craft the solution.

a. Issue Resolution and Corrective Action

Summary of Issue Resolution. Issues are raised at the work-unit level and the stakeholders within the work unit will meet to attempt to resolve the concern. Issues unresolved at the work-unit level are reviewed by the local Partnership team. If the concern remains unresolved, the issue may be referred to the senior union and management regional strategy group, council or equivalent for resolution. Issue resolution is an alternative to, but does not replace, the grievance procedure.

Summary of Corrective Action. Corrective action is designed to be a non-punitive process. It is divided into two phases. The first phase, problem solving, follows a joint discovery process. Problem solving consists of levels one and two, which are neither adversarial nor disciplinary in nature. The goal of this phase is to determine the root cause of the problem by identifying all of the issues affecting performance and to collaboratively develop options to resolve them. The first phase is informal, with no documentation in the personnel file.

The second phase, containing levels three through five, constitutes discipline. While there is no punishment, such as

suspension without pay, the consequences of failure to resolve the issues may ultimately result in termination of employment. An employee who disputes any action at any level under this procedure shall have the right to file a grievance.

An Issue Resolution/Corrective Action User's Guide is available through the OLMP to provide a thorough orientation on successful utilization of the procedures for all covered employees.

2. PARTNERSHIP AGREEMENT REVIEW PROCESS

After sharing information, fully discussing and exchanging ideas, and fully considering all views about issues of interest and concern to the parties, decisions should be reached that are satisfactory to all.

It is in the interest of both parties to have an expedited process for resolving issues raised in the 1.L.2. process. The parties will work in good faith to ensure that all issues raised in this process are resolved within 120 days. In order to ensure timely resolution to issues addressed in this format, either party may advance the issue to the next step 30 days after its referral with the accompanying documentation.

It is understood that the parties may not always agree. When there is disagreement at the facility level that arises out of the interpretation and/or implementation of Section 1, representatives from labor and management who are immediately affected will meet and use interest-based problem solving and issue resolution skills and techniques to attempt to reach a consensus decision. If any party believes the issue cannot be resolved, then either party may refer the issue to the local LMP Council or equivalent. The referral shall include a completed Issue Resolution Form attached as National Agreement Exhibit 1.L.2.

The local LMP Council will designate representatives to explore common interests and further options in an attempt to reach a consensus decision no later than 30 calendar days following its referral. If it cannot be resolved at the local level within 30 days of referral to the local LMP Council, either party may refer the issue to the regional LMP Council or equivalent. The designated representatives shall draft a short summary of the issue, common interests and solutions it considered.

The regional LMP Council will designate representatives to further explore common interests and options, and attempt to resolve the issue no later than 30 calendar days following its referral. If the regional LMP Council is unable to reach a consensus decision within 30 days of referral, it shall prepare a short summary of the issue and its efforts to resolve the matter. Any joint resolutions reached at the local (e.g., department or facility) level or regional level will be nonprecedential in interpreting or applying the National Agreement.

If the issue arises at a regional level, it may be brought directly to the regional LMP Council. It is also understood that as

new structures are established to reflect the evolution of Kaiser Permanente, including, for example, structures for Partnership in national functions and shared services, those structures may replace the regional LMP Council where appropriate in this process.

If the parties are unable to reach consensus, either party may refer the matter to the National LMP Co-chairs. The referral shall include a completed Issue Resolution Form. The National LMP Co-chairs shall appoint a labor management fact-finding team to investigate the matter and attempt to mediate the issue. If the parties are still unable to reach consensus, the labor-management team shall prepare a written report summarizing the key issues within 30 days of referral to the National LMP Co-chairs.

If the issue remains unresolved after 30 days from referral to the National LMP Co-chairs, either Kaiser Permanente or the Coalition may request the appointment of a national panel to address the issue. The National LMP Co-chairs shall appoint a national panel to address the issue, composed of two union and two management members; provided, however, the National LMP Co-chairs may reduce the number of management and union panelists to one each by agreement, along with a predetermined neutral designee selected by the National LMP Co-chairs. The panel will be designated immediately upon receiving a request. The panel will meet, confer and ultimately craft a solution within 30 days, unless the time is extended by mutual agreement.

It is the responsibility of the neutral designee to ensure a final resolution to the issue is crafted. In order to assure the ability for the panel to meet and craft a solution within 30 days, the parties will schedule quarterly dates with the neutral designee. The resolution will be final and binding on all parties. Panel members should be selected who are not vested in the substance of the disagreement. Questions involving the interpretation of the National Agreement also may be submitted to this review process by national parties. An Issue Resolution Form to be used in conjunction with the above process can be found in Exhibit 1.L.2.

M. TERM OF THE PARTNERSHIP

In recognition that the substance, as well as the spirit and intent, of this Agreement is largely dependent upon the existence of the Labor Management Partnership, the labor and management signatories commit to continue participation in and support of the Partnership throughout the term of this Agreement.

The Labor Management Partnership Agreement, inclusive of clarifying addenda of Employment and Income Security and Recognition and Campaign Rules, provides for a 60-day notification period for either of the parties to disengage from the Partnership relationship; however, the review process in Section 1 of this Agreement substitutes for that notification an alternative process of reviewing and resolving issues that could otherwise

individually or collectively result in the dissolution of this Partnership.

Notwithstanding the parties' commitment to this ongoing relationship, there may be instances where either side may engage in such egregious non-partnering behavior that the corresponding partner takes unilateral action and may also withdraw some or all of the Partnership privileges extended to the other party. Such behavior, unilateral action or withdrawal of privileges should likewise be submitted to the review process for determination and resolution.

As the Partnership matures, the parties recognize that, on occasion, either party may engage in behavior that conflicts with Partnership principles and elicits corresponding behavior from the other party. It is expected that this review process will also be instrumental in providing guidance to the parties for those occurrences.

Although the commitment to use the review process as the alternative to serving a 60-day notice of termination of the Partnership agreement runs concurrently with the National Agreement, the Labor Management Partnership Agreement continues in effect and does not terminate with the expiration of this Agreement.

SECTION 2 WAGES AND BENEFITS

Wages, performance-sharing opportunities and benefits as identified in this Section 2 are considered to be ongoing obligations and will terminate at the extended expiration of local agreements, rather than at the expiration of this Agreement.

A. COMPENSATION

To promote Partnership principles and support the guiding principle that Kaiser Permanente will be the employer of choice in the health care industry, Partnership employees should receive excellent wages. The parties recognize, however, that wages alone will not support an "employer of choice" strategy. In addition to wages, the parties are committed to investing in benefits, workforce engagement, training and development opportunities, and leadership development as critical elements in pursuing this goal.

In valuing and rewarding employees for length of service with Kaiser Permanente, the parties agree that wages should be tenure based. In addition to length of service, the parties agree to consider these factors in developing and adjusting compensation levels: labor market conditions, changes in cost of living, internal alignment, recognition of the value of the Labor Management Partnership and ability to recruit new employees.

Compensation changes agreed to under the terms of this Agreement include three components:

» annual across-the-board (ATB) wage increases;
» special adjustments; and
» potential for performance-sharing bonuses in each year of the contract.

1. GUARANTEED ACROSS-THE-BOARD WAGE INCREASES (ATBS)

ATBs will be effective on the first day of the pay period after October 1 in each year of the agreement.

ATB (ACROSS-THE-BOARD) WAGE INCREASES				
Region	2019	2020	2021	2022
NCal, SCal, Northwest	3%	3%	3%	3%
Colorado, Hawaii, Mid-Atlantic States and Washington	3%	2%	2%	2%

2. PERFORMANCE-BASED ATBS OR LUMP-SUM PAYOUTS

Effective the first pay period following October 1, 2020, 2021, and 2022, employees in the Colorado, Hawaii, Mid-Atlantic States and Washington regions ("Regions") will receive 1% lump sums in each year of the Agreement. In the event that any of the Regions receiving a lump-sum payout meet or exceed sustainability margin performance targets as specified below, their lump sums will be converted to ATBs. Performance that is moving the Region toward ultimate sustainability includes improving price position, generating the capital sufficient to invest, generating and maintaining sufficient reserves, and maintaining positive membership growth. Employees will not receive both a lump sum and an ATB.

The following schedule will be used:

PERFORMANCE-BASED ATBs or LUMP SUM				
Region	2019	2020	2021	2022
Colorado, Hawaii, Mid-Atlantic States and Washington	0%	1%	1%	1%

Sustainability Performance Targets* will be:

Region	2020	2021	2022
Colorado	2%	2.5%	2.75%
Hawaii	1%	1.5%	2.2%
Mid-Atlantic States	1.75%	2.3%	2.75%
Washington	1%	1.5%	2.2%

* The metric for the annual targets is Operating Margin.

3. PERFORMANCE SHARING

Performance sharing is intended to recognize that, through the Labor Management Partnership, employees and their unions have a greater opportunity to impact organizational performance, and employees, therefore, should have a greater opportunity to share in performance gains. The parties support the Labor Management Partnership Performance Sharing Program (LMP PSP) as a way to continue the transformation of the organization, through Partnership, to a high-performing organization and to share the success of the organization with employees covered by this Agreement.

The Strategy Group will be accountable for the LMP PSP. The Strategy Group may, but is not required to, establish national factors each year that will be included in all regional and local programs, together with regional and local factors. The PSP goals will be aligned with national, regional, facility and unit goals. The PSP goals will be based on the principle of "line of sight" as much as possible. As in the 2008 Reopener Settlement, the regions may continue to pilot PSP demonstration projects during the life of this agreement with the emphasis on achieving simplicity, ease of administration and alignment with organizational and Partnership goals. Relevant sections of the 2008 Reopener Settlement are found in Exhibit 2.A.2. The Strategy Group appointed a PSP Design Team charged with reviewing the 2005 Performance-Based Pay BTG recommendations and making improvements to the LMP PSP. The PSP National Design Team produced and submitted recommendations to the LMP Strategy Group in April 2010. The document informed the 2010 national bargaining Common Issues Committee (CIC) PSP Subgroup and resulted in new language. The PSP National Design Team recommendations are retained and available through the national office of the LMP. This will provide employees a "line of sight" between their performance and the success of Kaiser Permanente through development of local programs under the LMP PSP.

Performance sharing is over and above base wage rates and will be based on mutually agreed-to performance factors and targets. The LMP PSP is self-funded through operating margin. Performance targets will be set by region or national function and may be based on quality, service, financial performance or other mutually acceptable factors. If targets are met, performance sharing opportunities will be as shown below for each year the Agreement is in effect. All amounts will be based on total payroll for employees covered by the Partnership in each region or national function. The 3 percent payout is a calculation based on total represented payroll by region or national function. A full explanation is contained later in this section.

Year 1—3 percent payout at target to be paid out in First Quarter 2019, based on 2018 performance.

Year 2—3 percent payout at target to be paid out in First Quarter 2020, based on 2019 performance.

Year 3—3 percent payout at target to be paid out in First Quarter 2021, based on 2020 performance.

Year 4—3 percent payout at target to be paid out in First Quarter 2022, based on 2021 performance.

The LMP PSP depends on Partnership structures and processes that empower employees to have an impact on the program's targeted factors. To afford employees a reasonable opportunity to earn the annual payouts, Partnership structures and processes must achieve critical thresholds to support the PSP. Further, jointly determined factors must be measurable against mutually agreed upon predetermined targets,

with progress reported to employees quarterly throughout each year, where possible.

As the Labor Management Partnership continues to grow and evolve, an important element is to ensure that employees share in the success of the organization as enhanced performance is achieved through the Partnership. Specifically, all Partnership employees will participate in the LMP PSP, which provides an annual cash bonus opportunity based upon regional or functional area performance in the areas of quality, service, financial health and/or other mutually acceptable factors. The jointly designed program will reward Partnership employees for reaching mutually agreed upon national, regional and/or local targets.

The following agreements are currently reflected in the LMP PSP:

» All Kaiser Permanente employees covered under this Agreement shall participate in the LMP PSP. This includes full-time, part-time, short-hour, casual, on-call and per diem employees.

» Other incentive, gain-sharing or reward programs may currently cover some Labor Management Partnership employees. In such cases, employees may not receive a payment from the LMP PSP in addition to a payment from a current program. Instead, employees shall receive the higher of either the LMP PSP or their current program.

» At any time during the term of this Agreement additional sub regional (local) plans may be mutually developed. In these instances, the covered employees will not receive a payment from both programs, but will receive a payment from the program that provides the highest payment.

» The program year shall be the calendar year, with a maximum of five mutually agreed-upon factors set by no later than year-end for the following year and communicated in January. The LMP PSP shall run for the calendar year, with final results determined and payments issued during the first quarter of the year following the end of the program year.

» The LMP PSP will establish mutually agreed-upon regional or functional annual targets with a bottom threshold (minimum payment) and an upper limit stretch target (maximum payment) in the areas of quality, service, financial health and/or other mutually acceptable factors. Regional or functional factors should be aligned with, and to the extent appropriate and mutually agreeable may be similar or identical to, physician and/or managerial incentive programs. The percentage payouts listed above will be paid for achieving performance at targeted levels. Proportional payouts (i.e., higher or lower than listed above at target level) will be made for performance achieved that is either above or below targeted levels.

» While the factors (i.e., quality, service, finance, etc.) may be different from region to region, the opportunity for reaching the selected targets shall be consistent across all regions.

- Targets should be set to stimulate and reward improvement; however, from region to region there must be a reasonable and relatively equal opportunity to reach each of the targets.
- Employees must be in job classifications covered by this Agreement during the program year and be active on December 31 to receive a payment under the LMP PSP for that year; however, employees who retire during the program year or prior to the payment date or transfer to another Kaiser Permanente job classification not covered under this Agreement shall receive a pro-rated payment based upon compensated hours attained during the program year in a job classification covered under the Partnership.
- Distribution of the performance sharing pool will be calculated as a percentage of the regional or functional total payroll, defined as total compensated hours times the established weighted average rate (WAR) for all employees represented by local unions who are party to this Agreement.
- Payouts will be made in the form of lump-sum bonuses proportional to the compensated hours of each employee; however, employees with 1,800 compensated hours or more in the program year shall be considered full-time employees for the purposes of the LMP PSP and have their hours capped at 1,800 hours. Employees with compensated hours less than 1,800 hours shall receive a bonus pro-rated for compensated hours.

The Parties jointly recognize that appropriate attendance is essential to the proper functioning of Kaiser Permanente as a health care provider from both caregiving and financial sustainability perspectives. As such, the Parties dedicate themselves, over the life of this Agreement, to undertake a sustained joint effort designed to improve attendance, review and potentially modify attendance-related policies, and generally seek affirmative solutions that account for the legitimate perspectives of both labor and management.

Beginning in calendar year 2020, for PSP bonuses to be paid in 2021 and beyond, the Parties agree that a concerted effort will be made, through an ongoing campaign that will be jointly planned, implemented and executed through all applicable structures of the LMP, to improve attendance by 2 percent per calendar year for the duration of this Agreement. The goal of the 2 percent annual improvement shall apply to all forms of leave available to KP employees, except vacation, and shall be measured in aggregate, by region, to determine whether the goal is met.

Additionally, the Parties agree that attendance will make up a 25 percent portion of each region's overall criteria for determining its Performance Sharing Program for each calendar year. The joint creation and submission of an annual action plan by Kaiser Permanente and the Coalition of Kaiser Permanente

Unions for each region will serve as an Attendance "gate" and count for satisfying two-fifths (10 percent) of the Attendance portion (25 percent) of the annual PSP calculation. The expectation of the parties is that the joint attendance plans shall be completed no later than December 31 for the upcoming calendar year. The remaining three-fifths (15 percent) of the Attendance portion (25 percent) will be dependent on achievement of the 2 percent improvement goal, by region, on an annual basis.

The parties further agree to jointly develop strategies to:

1. improve the ability of employees to utilize accrued vacation days
2. review on-call policies, including replacement availability
3. review mutually agreed-upon Attendance Expectations and Guidelines
4. explore expanding flexibility through shift trades and make-up time
5. consider monthly documented attendance review for all employees
6. consider the benefits of increasing cash-out conversion and HRA conversions for unused sick days

The parties also agree to jointly create an education campaign that focuses on the direct interaction of employees in an effort to improve attendance.

B. HEALTH AND WELFARE BENEFITS

1. MEDICAL BENEFITS

a. Eligibility

» All employees who are regularly scheduled to work 20 or more hours per week are eligible for medical benefit coverage.

» Medical benefit coverage is effective the first day of the month following eligibility (e.g., date of hire, benefit eligible status, etc.). Initial coverage under flexible benefit plans is temporary, basic medical coverage. The selected medical coverage and other benefits in the flexible benefit plan will be effective the first day of the month following three months of benefit-eligible service.

b. Basic Comprehensive Plan

Kaiser Foundation Health Plan, Inc. (KFHP) has established a national account to enable the Employers to act as a national purchaser of health care benefits. The parties agree that discussions concerning any changes in benefits or benefit coverage contemplated by KFHP, Inc. should be joint and should be initiated no less than six months prior to the effective date of any proposed changes, and that such discussions should be concluded no less than three months prior to the effective date.

The parties agree that eligible employees covered by this Agreement shall be covered by the basic plan. The basic plan shall be based on a “Kaiser Foundation Health Plan Traditional HMO

Plan." While the parties understand that some variation in benefits may be necessary, the intent is to achieve national uniformity where possible. The basic plan shall include outpatient and hospital and other services in addition to the following features:

» dispensed prescription drugs for up to 100 days/three months for maintenance medications, barring state statutory or other legal or technical barriers;
» 100 percent allocation for Colorado mid-level option of the flexible benefits plan;
» dependents (spouse, domestic partner, children up to 26, special dependents); and
» durable medical equipment (DME).

On or after January 1, 2006, the plan covering employees in the Northern California region will include a $5 office visit co-pay.

Effective January 1, 2017, emergency room visit co-pays for active employee medical plans will be as follows:

» California and Northwest—$50
» Hawaii, Mid-Atlantic States and Colorado—$100

It is understood that if a member is admitted as a result of an emergency room visit, the emergency room co-pay will be waived.

This provision will supersede any contrary local collective bargaining agreements.

Flexible benefit programs in local labor agreements, amended to reflect the features above, will remain unless another plan is implemented by mutual agreement.

Through December 31, 2020, the existing medical plan structure remains in effect. The parties will work together in partnership throughout 2020 on an educational campaign to help employees understand how the mail order prescription program works. Effective January 1, 2021, the parties agree that the prescription drug provisions for all active medical plans remain in effect except:

» All discretionary retail pharmacy co-pays less than $10 will increase to $10. There will be no increase to co-pays for mail order prescriptions. There will be no increase to co-pays for first-time prescriptions. There will be no increase to co-pays for in-person prescriptions for drugs not available via mail order.
» There will be no decrease in the amount of days the prescription is for.
» All mail order co-pays shall remain the same, and in no event will be more than $5.
» ACA-mandated medication remains at no charge.

During 2021, if less than 30 percent of prescription drugs for all active Coalition employee medical plans are dispensed through mail order, then effective July 1, 2022, in accordance with exceptions described herein, all discretionary retail pharmacy co-pays less than $15 will increase to $15.

During 2022, if less than 40 percent of prescription drugs for all active Coalition employee medical plans are dispensed through mail order, then effective July 1, 2023, in accordance with exceptions described herein, all discretionary retail pharmacy co-pays less than $20 will increase to $20.

The parties will meet quarterly to review utilization numbers and discuss improvements to the education effort.

Discretionary retail prescription does not apply to in-person co-pays for first-time prescriptions or in-person prescriptions where the employee is otherwise unable to access the prescription through mail order.

This section will supersede any contrary language in local collective bargaining agreements.

c. Parent Coverage

Parents and parents-in-law of eligible employees residing in the same service area will be able to purchase health plan coverage, in accordance with the Letter of Agreement between the parties made effective May 1, 2002, and modified by a subsequent agreement between the parties dated May 22, 2003 (attached as Exhibit 2.B.1.c.).

d. Health Care Spending Account

A Health Care Spending Account (HCSA) option will be provided to employees eligible for benefits. This account is a voluntary plan that allows the employee to set aside pre-tax dollars to pay for eligible health care expenses. The maximum HCSA annual contribution for 2015 is $2,500. For all other years, the maximum contribution level shall be the IRS maximum limit in effect as of March 31 of the year preceding the applicable year. Effective for the 2017 plan year, unused amounts up to $500 will be rolled over to the next year. HCSA may be used to pay for certain expenses for the employee and eligible family members as permitted under Internal Revenue Code.

e. Healthcare Reimbursement Account

Effective January 1, 2010, the parties agreed to establish a Healthcare Reimbursement Account (HRA) for bargaining unit employees covered by the National Agreement. The details of the HRA benefits are contained in Section 1.C.3.c. of this Agreement. For further information or clarification, please refer to the HRA plan document.

Education of workforce on HRA benefit: Within 60 days of settlement, a full education and communication plan should be implemented. Part of the work of the National Attendance Committee is to determine the method for gathering data as to the impact of the HRA on absenteeism.

f. Preferred Provider Option (PPO)/ Point of Service (POS) Plans

The parties agree that PPO plans and POS plans remain available in all regions to the applicable bargaining units through December 31, 2016 except as follows:

» These plans will be closed to all new entrants in all regions effective January 1, 2016.

» For all regions except Mid-Atlantic, all Preferred Provider Option plans and Point of Service plans will be discontinued as of January 1, 2017.

» For Mid-Atlantic, a joint labor management committee will be created to develop consensus recommendations to either align the cost of the Preferred Provider Option/ Point of Service plans with the KFH/ HMO plan offered to employees or consider other options, including shifting to KFH/HMO plan.

2. RETIREMENT BENEFITS

a. Defined-Contribution Plan

The Employer will establish the following Employer contribution programs in the existing salary deferral plans:

» Beginning in 2006 and continuing throughout the term of the Agreement, a performance-based contribution of 1 percent of each represented employee's annual payroll earnings will be made if the region's performance equals or exceeds the budgeted margin plus 0.25. For example, if budgeted margin is 2 percent, actual margin of 2.25 percent is required for payment of the performance-based contribution, and if budgeted margin is 4 percent, actual margin of 4.25 percent is required for payment.

» Beginning in 2008, and continuing throughout the term of this Agreement, a match program will be established in addition to the performance-based opportunity described above. This program matches 100 percent of the employee's contribution, up to 1.25 percent of the employee's salary.

» Beginning January 1, 2017, the Employer will establish a voluntary employee after-tax Roth contribution option and a Roth in-plan conversion option as plan features of the 401(k)/403(b) TSA.

New hires will be automatically enrolled in the 401(k)/403(b) TSA at 2 percent of eligible pay with an opt-out provision available. All employees with one or more years of employment will be eligible for the Employer contribution programs described above. The Employer contributions will be vested in increments of 20 percent per year of employment, with participants becoming fully vested after they have completed five years of employment.

Employees covered by defined-contribution plans established under local collective bargaining agreements will receive the higher of the benefit provided under the local agreement, or the benefit provided under this plan.

After the first year of the match program, the parties agree to meet and review factors and participation trends under the match program, in order to determine if any adjustments

in enrollment practices or the Employer contribution rate are appropriate.

The Employer shall optimize its 1.25 percent match, to ensure that so long as the employee remains employed by Kaiser Permanente on December 31 of the applicable year and contributes 2 percent of his or her annual eligible pay from KP into the DC plan throughout the

course of the year, the Employer will match 1.25 percent into the plan. The Employer will reconcile the year-end match for the applicable DC plan year for each affected employee no later than the deadline to make contributions to a DC plan as set forth in applicable tax guidance.

In 2009 and 2010, the Ohio and Mid-Atlantic States regions will each make a supplemental annual contribution (Contribution) to their respective defined-contribution plans if the region achieved its three-year cumulative budgeted margin for the 2006, 2007 and 2008 calendar years. The total amount of each Contribution will be equal to the additional annual pension expense the region would have incurred in that year had the region increased its defined-benefit plan multiplier to 1.45 at the beginning of that plan year. The assumptions used to calculate this value will be those in effect for the calculation of pension expense in the year in which the Contribution is to be made. No amounts will be contributed under this provision for any year in which the region has actually applied a 1.45 multiplier under its defined-benefit plan. No past service credit will be included in determining Employer Contribution amounts. The design of the participant allocation of the Contribution will be determined prior to the date of the first Contribution, by agreement between the Coalition and management.

Washington Region Benefits. In lieu of the defined-contribution benefits above, effective January 1, 2021, the following provisions shall be the only defined-contribution benefits provided for the Washington Region:

» **Employer Defined Contribution.** All newly hired or existing defined-contribution plan eligible employees in the Washington region shall transition to and participate in the Employer Defined Contribution (EDC) benefit. An eligible employee automatically participates upon the first day of employment in an eligible status and will receive an Employer contribution of 6.3 percent of EDC eligible pay. All EDC contributions will be immediately vested.

» **Employer Match.** For all newly hired employees or existing eligible employees, the employer shall make contributions to match 100 percent of an employee's contribution, up to 2.7 percent of the employee's eligible pay. An employee must contribute 3 percent of eligible pay to receive the full 2.7 percent match. The matching contributions will be optimized consistent with the terms above. All matching contributions will be immediately vested.

» This provision will supersede any contrary local collective bargaining agreements.

b. Defined-Benefit Retirement Plan

Employees represented by Coalition unions are covered by the defined-benefit retirement plans listed in Exhibit 2.B.2.b. The benefits will be governed by the plan documents in effect for each plan, as well as the Letter of Agreement between the parties regarding pension multipliers made effective January 7, 2002, and

modified by a subsequent agreement between the parties dated May 22, 2003, as well as the Letter of Agreement regarding early reduction factors made effective August 19, 2002 (all attached as Exhibit 2.B.2.b.). Those bargaining units with higher multipliers currently provided under local collective bargaining agreements will maintain the higher multipliers in accordance with those agreements.

The parties remain committed to working on a joint vision and consistent strategy for retirement programs. To that end, a joint committee will be established to review the pension benefits provided in Section 2.B.2.b., and reflected in Exhibit 2.B.2.b. The purpose of the review will be to explore retirement income programs for the purposes of recruiting and retaining employees, controlling costs and liabilities, and ensuring meaningful and predictable income to KP retirees. The joint committee will provide annual reports on its progress, and will make consensus pension recommendations at the next round of national bargaining.

c. Pension Protection Act (PPA) Compliance

The parties agree to continue the methodology for calculating lump sums by using the Pension Protection Act-required corporate bond rates and mortality tables.

In addition, effective January 1, 2010, the parties agree to a new 100 percent joint and survivor (J & S) annuity with a 15-year certain period, and a pop-up feature wherein upon the death of the joint annuitant prior to the death of the retiree, the retiree's monthly benefit will revert from the 100 percent J & S to the life-only benefit. In the event both the retiree and the joint annuitant die within the 15-year certain period and the retiree was receiving the pop-up benefit, the life-only benefit will revert to the prior 100 percent joint and survivor monthly benefit for the remainder of the certain period.

d. Continuation of Certain Retirement Programs

During the 2000–2005 term of the National Agreement, a number of unrepresented employee groups chose to become represented and form new bargaining units. At that time, the Coalition and Kaiser Permanente agreed that where a new bargaining unit was formed of employees who were participants in the Kaiser Permanente Salaried Retirement Plans A and B, or Permanente Medical Group Plans 1 and 2, those benefit formulas would be temporarily maintained, despite the employees' transition into a new bargaining unit, in order to explore the possibility of developing a joint, consistent recommendation on how to handle retirement benefits in these circumstances. The parties agree that the bargaining units that retained these benefits under that side letter will continue to keep those benefits for the duration of this Agreement, unless the parties mutually agree to convert them to another plan.

The parties remain committed to working on a joint vision and strategy for retirement programs. To that end, the joint Labor Relations Subcommittee of the Strategy Group will be commissioned to explore the feasibility of a joint vision. Within that, the Labor Relations Sub Group will submit to the LMP Executive Committee a recommendation on how to handle future employee groups who choose to become newly represented groups, and how to handle non-union employees who are accreted into existing bargaining units.

e. Pension Service Credits

Members of the RN, Dental Hygienist and Technical bargaining units in the Northwest region who converted from a defined-contribution plan to a defined-benefit plan in 2003–2004 will be eligible for pension service credits in accordance with the September 2005 Letter of Agreement between the health plan and OFNHP and ONA at the local level.

f. Investment Committee Representative

A representative of the Coalition will be designated to serve on the Investment Committee of the Kaiser Permanente pension plans.

g. Pre-Retirement Survivor Benefits

Under the pension plans, a pre-retirement survivor benefit is payable to the spouse of a deceased employee. The survivor benefit has been expanded to include domestic partners and/or qualified dependents of employees.

Domestic Partner Benefits Under the Pension Plan. Under the pension plans, a survivor benefit will be payable to an employee's designated domestic partner upon the employee's death, provided that an affidavit certifying the partnership has been completed by the domestic partner and employee. This is not applicable to Taft-Hartley plans.

Non-Spouse Survivor Qualified Dependent. Under the pension plans, survivor benefits will be payable to a qualified dependent. A qualified dependent is one or more individuals who, at the time of the employee's death, meet the definition for a dependent as defined by the Plan. The amount of the monthly benefit will be based on the employee's accrued benefit as of the date of death and will be determined as if the employee had retired on the day before death, and had elected the guaranteed years of payment method for 120 months with the qualified dependent as beneficiary.

If a spouse or domestic partner and a qualified dependent survive the employee, the spouse or domestic partner will receive the survivor benefit. If the employee is survived by a spouse or domestic partner and a qualified dependent and the employee's surviving spouse or domestic partner dies before the tenth anniversary of the employee's death, the qualified dependent will receive a monthly benefit effective the month following spouse or domestic partner's death and ending on the tenth anniversary of the employee's death.

h. Retiree Medical Benefits

Retiree medical coverage, and eligibility for the retiree and the retiree's dependents, will be based on the retiree's last employment position, employment status, employee group and region. Eligibility for retiree medical coverage generally requires that an employee have at least 15 Years of Service, and be at least age 55, as of the employee's retirement, with exceptions listed in Exhibit 2.B.2.h. Dependent eligibility requirements also are listed in Exhibit 2.B.2.h.

For employees who retire before January 1, 2017, with eligibility for retiree medical benefits, the existing retiree medical plans, including Employer contribution rates or retiree cost share, shall remain the same. Retiree medical benefits, including co-payments and out-of-pocket maximums, for retirees in a Kaiser Permanente service area shall be the same as the active medical benefits and cost-sharing features at the time the retiree initially enrolls in the Kaiser Permanente retiree medical plan.

For eligible retirees who move from one Kaiser Permanente service area to another Kaiser Permanente service area, a KFHP plan will be offered with a $5 office visit co-pay and a $5 prescription drug co-pay. This plan will be integrated with Medicare, when applicable.

For eligible retirees who move outside of any Kaiser Permanente service area, an out-of-area plan will be offered and will provide comprehensive inpatient and prescription drug coverage. This plan requires Medicare enrollment when applicable.

Retiree medical benefits for employees who retire on or after January 1, 2017, shall be subject to the following changes. These changes will apply to all eligible post-2016 retirees and their eligible dependents, except previously grandfathered employees with special retiree medical coverage who meet the eligibility criteria listed in the applicable local agreement:

1. The Medical Premium Subsidy/HRA plan will be effective as of January 1, 2017, for employees who retire on or after January 1, 2017, from positions in the Northwest, Colorado, Hawaii, Mid-Atlantic States or Hawaii or Mid-Atlantic States. The Medical Premium Subsidy/HRA plan for employees who retire on or after January 1, 2017, from California regions is described in #5 below.
2. The out-of-area plan no longer will be offered to post-2016 retirees when that region's post-2016 retirees are converted to the Medical Premium Subsidy/HRA plan.
3. The **Medical Premium Subsidy/HRA plan** shall be as follows:

   Medical Premium Subsidy/HRA Retiree Medical Program for Eligible Post-2016 Retirees:

   Retiree Medical Program "Medical Premium Subsidy" for Eligible Post-2016 Retirees

   At age sixty-five (65) or older, or Medicare eligibility if earlier, an

eligible retiree shall receive a Medical Premium Subsidy toward the monthly premium of the Kaiser Permanente Senior Advantage plan ("KPSA plan") where the retiree resides, or as further described in the "Medical Premium Subsidy" rules below. These Kaiser Permanente Senior Advantage plans (KPSA) are offered to individuals in the communities we serve, and have the same premiums, deductibles, co-payments and out-of-pocket maximums as the commercially available basic Senior Advantage Medicare plans in the covered location.

The Medical Premium Subsidy for 2017 for a KPSA plan shall be the following for an eligible retiree who retired from a position in the applicable region:

- $186 per month for a Northern California retiree;
- $106 per month for a Southern California retiree;
- $80 per month for a Colorado retiree;
- $33 per month for a Northwest retiree;
- $33 per month for a Hawaii retiree; and
- $33 per month for a Mid-Atlantic retiree.

Starting in 2018, the Medical Premium Subsidy for each region shall increase by 3 percent (3%) on January 1 of each year.

The Medical Premium Subsidy for an eligible spouse or domestic partner shall be equal to the retiree's Medical Premium Subsidy. The Medical Premium Subsidy for a spouse or eligible domestic partner will not apply until the retiree commences Medical Premium Subsidy. If the retiree's eligible dependent is not yet Medicare eligible when the retiree commences the Medical Premium Subsidy, the dependent coverage shall be the same as the retiree medical benefit applicable to pre-Medicare dependents of pre-2017 retirees. That pre-Medicare dependent coverage ends when the dependent becomes eligible for Medicare.

Retiree Medical Program "Medical Premium Subsidy" Rules of Application

If the Medical Premium Subsidy amount exceeds the KPSA premium costs, then the excess amount will be forfeited. Any cost of medical coverage above the Medical Premium Subsidy shall be borne by the retiree. A retiree who does not pay the retiree's share of KPSA premiums shall lose coverage in accordance with KPSA plan terms. If a retiree does not pay the retiree's share of KPSA premiums for his or her Medicare-eligible spouse or domestic partner, the spouse or domestic partner shall lose coverage in accordance with KPSA plan terms. Within any Kaiser Permanente Service Area, Medical Premium Subsidy applies only for the amount of the lowest-cost KPSA coverage (including prescription

drug coverage) available to the retiree (and not for any premium plan or non-Kaiser Permanente plan).

A retiree must enroll in Medicare Parts A and B and any other relevant parts of Medicare, assign his or her Medicare rights to the applicable Kaiser Permanente plan, and take such other action as the applicable Kaiser Permanente plan determines is necessary to assign/coordinate Medicare. The spouse or domestic partner also must take the same actions when eligible for Medicare.

If a retiree and/or his or her eligible dependents reside outside of a Kaiser Permanente service area, the Medical Premium Subsidy can be used for any Medicare Advantage or Medicare "Medigap" plan premiums.

In the event of an eligible retiree's death, the Medical Premium Subsidy will be available for a surviving spouse or domestic partner, subject to the same rules. Coverage will be available for any eligible surviving child up to age 26. Eligibility of a spouse or domestic partner for survivor retiree medical benefits ends upon remarriage or entering into a domestic partnership.

Retiree Medical Health Reimbursement Account ("HRA") for Eligible Retirees

An eligible retiree will receive an Employer allocation to an unfunded Retiree Medical Health Reimbursement Account ("HRA") at the time of retirement in the amount of $2,000 per year of service. An eligible retiree will receive an allocation to an HRA equal to $10,000 when the retiree reaches age eighty-five (85) ("HRA supplement").

Retiree Medical HRA and HRA Supplement Rules of Application

The following rules shall apply to reimbursements from the Retiree Medical HRA:

- A retiree may access the Retiree Medical HRA for reimbursement of eligible expenses (within limitations described below) at age sixty-five (65), or retirement, whichever is later. A retiree who becomes Medicare-eligible prior to age sixty-five (65) may access the Retiree Medical HRA at the time she or he enrolls in Medicare.
- A retiree may access the HRA Supplement for reimbursement of eligible expenses at age eighty-five (85).
- A retiree residing within a Kaiser Permanente Service Area may obtain HRA reimbursements for KPSA plan coverage costs, consisting of premiums and co-payments or deductibles for the retiree and his/her spouse, domestic partner or other KPSA-covered dependents.
- A retiree residing outside any Kaiser Permanente Service Area may obtain HRA reimbursements for any Medicare Advantage or "Medigap" plan costs, consisting of Medicare plan premiums

and Medicare plan co-payments or deductibles for the retiree and his/her spouse, domestic partner or other Medicare-covered dependents.

› A retiree residing within a Kaiser Permanente Service Area will be provided a debit card to use to provide direct HRA reimbursements to Kaiser Permanente for eligible KPSA plan coverage costs. The Employer intends to develop a similar debit card program for retirees residing outside any Kaiser Permanente Service Area to provide direct HRA reimbursements limited to eligible Medicare Advantage or Medigap plan costs.

In the event of a retiree's death, any balance in the Retiree Medical HRA and HRA Supplement will be available for the benefit of the retiree's surviving spouse, or a surviving domestic partner who was an eligible dependent as defined by the Internal Revenue Code. The surviving spouse or domestic partner may access the Retiree Medical HRA and HRA Supplement for reimbursement of eligible medical expenses when the retiree would have been eligible to access the Retiree Medical HRA or HRA Supplement. Eligibility of a surviving spouse or domestic partner to access the HRA balance ends upon his/her remarriage or entering into a domestic partnership.

4. **Previously grandfathered employees.** Employees who are eligible for special retiree medical benefits, under the eligibility requirements listed in the applicable local agreement, will remain eligible for those benefits if they retire on or after January 1, 2017.

5. For employees retiring from the Northern California region or Southern California region, the employers' cost share shall be capped at a fixed dollar amount effective January 1, 2017 (the "Fixed Amount"). The Fixed Amounts shall be:

   › Northern California: $573

   › Southern California: $279

   In the event that, as of May 15, 2017, or May 15 of any subsequent year, the net cost of a retiree medical plan in the prior calendar year exceeded the Fixed Amount for either region, the retiree medical plan for the Northern California region and Southern California region for post-2016 retirees will become the Medical Premium Subsidy/HRA plan described above, effective as of the first day of the next calendar year or January 1, 2028, whichever is later.

   Before the Medical Premium Subsidy/HRA plan becomes effective, retiree medical benefits, including co-payments and out-of-pocket maximums, for retirees in a Kaiser Permanente service area shall be the same as the active medical benefits and cost-sharing features at the time the retiree initially enrolls in the Kaiser Permanente retiree medical plan. For eligible retirees who move from one Kaiser Permanente service area

to another Kaiser Permanente service area, a KFHP plan will be offered with a $5 office visit co-pay and a $5 prescription drug co-pay. This plan will be integrated with Medicare, when applicable. For eligible retirees who move outside of any Kaiser Permanente service area, an out-of-area plan will be offered and will provide comprehensive inpatient and prescription drug coverage. This plan requires Medicare enrollment when applicable.

This section 2.B.2.h. is intended to supersede any contrary Local Agreement provisions, with the exception of #4, Previously grandfathered employees, as discussed above.

6. This Section 2.B.2.h shall not apply to eligible retirees in the Washington Region, except effective January 1, 2020, any retiree who has at least 15 years of service and is at least age 55, as of the date of retirement, shall receive only an Employer allocation to an HRA at the time of retirement in the amount of $350 per year of service, subject to the "Retiree Medical HRA and HRA Supplement Rules of Application." Employees of Group Health Cooperative or its subsidiaries on the date of acquisition will have prior service included in years of service.

This provision will supersede any contrary local collective bargaining agreements.

3. OTHER BENEFITS

All employees will be offered the following:

a. Dependent Care Spending Account

A Dependent Care Spending Account (DCSA) option will be provided to employees eligible for benefits. This account is a voluntary plan that allows the employee to set aside pre-tax dollars to pay for eligible dependent care expenses. The maximum DCSA annual contribution will be $5,000. DCSA may be used to pay for certain expenses for eligible family members as permitted under the Internal Revenue Code.

b. Survivor Assistance Benefit

The survivor assistance benefit will cover employees who are eligible for benefits. This benefit will provide the employee's chosen beneficiary(ies) with financial assistance upon the employee's death. The amount payable is equal to one times the employee's monthly base salary (pro-rated for part-time employees based on regularly scheduled hours). Should death occur while the employee is on a leave of absence of less than one year, the beneficiary(ies) will continue to be covered by this benefit.

c. Workers' Compensation Leaves of Absence

Effective with workers' compensation leaves of absence commencing on or after October 1, 2000, up to 1,000 hours of workers' compensation leave(s) may be used toward determining years of service for purposes of meeting the

minimum eligibility requirements for retirement or post-retirement benefits.

d. Disability Insurance

Beginning in the first year of the 2005 Agreement, the eligible employees of the Northern and Southern California regions, and beginning January 1, 2007, the eligible employees of the Northwest region, shall receive long-term disability insurance coverage with the same benefit levels as those contained in the SEIU-UHW long-term disability plan in Southern California. (A general description of SEIU-UHW long and short-term disability plan benefit levels for Southern California is attached as Exhibit 2.B.3.d.).

Beginning in the first year of the 2005 Agreement, the eligible employees of the Northern and Southern California regions, and beginning January 1, 2007, the eligible employees of the Northwest region, shall receive short-term disability coverage with the same benefit levels as those contained in the SEIU-UHW short-term disability plan in Southern California.

Employees in the above-mentioned regions with superior long-term and/or short-term disability coverage provided under local collective bargaining agreements shall maintain that coverage.

e. Employee Health Care Management Program

Kaiser Permanente will offer a comprehensive Employee Health Care Management Program to help employees manage their chronic diseases and other existing health issues. The goal of the program will be to reduce the incidence of these chronic diseases among employees. The Employee Health Care Management Program will be integrated with existing care management and employee health programs at the local level. The parties will jointly design an Employee Health Care Management Program, and prepare an implementation plan to include a staffing plan, in the first year of the Agreement. The program will include metrics that measure the success of and gaps in the program and identify successful practices.

f. Revised Dental Benefit

Effective January 1, 2016, the annual maximum for adults will be $1,500 for all regions and the lifetime maximum for child orthodontia shall be $1,500 for all regions. A Preferred Provider Network (PPO) shall be offered in Southern California.

This provision will supersede any contrary local collective bargaining agreements, except it shall not apply to any Taft-Hartley trusts for dental benefits, nor shall it reduce any existing dental benefits.

OPEIU Local 30 Taft-Hartley— the Employer contribution to the Local 30 Dental Fund shall be as follows:

10-1-17	1-1-21	1-1-22	1-1-23
$98.88*	$101.85	$104.90	$108.05

This provision will supersede any contrary local collective bargaining agreements.

*The Employer contribution rate as of October 1, 2017 remains in effect through December 31, 2020.

g. Benefit Standardization and Simplification

The Mid-Atlantic States Region will jointly charter a small group to reach agreement to standardize and/or simplify active health care benefits, plan rules and the existing cost-sharing model without increasing overall cost or reducing benefits. Other KP regions may jointly adopt a similar process.

h. Life Insurance

The Employer will provide a minimum of $50,000 in life insurance coverage for all benefited employees. Employees may purchase additional coverage through the Employer (see 2.B.3.i. below).

i. Benefits by Design Voluntary Programs

Beginning January 1, 2017, insurance benefits found in the Benefits by Design voluntary program which are offered nationally to non-represented employees will be made available to employees eligible for benefits on an after-tax basis, subject to the satisfaction of any insurer requirements. The available options may include long-term care insurance, legal services insurance, additional term life insurance, identify theft maintenance, auto and homeowners insurance, and pet insurance. Any improvements made for non-represented employees will be offered to eligible Coalition-represented employees.

4. MAINTENANCE OF BENEFITS

a. KP and the Coalition Unions agree that there will be no benefit changes during the term of this Agreement. All employee health and welfare benefit programs provided under local collective bargaining agreements, including the co-pays and premium shares paid by the employee, will be maintained for the term of this Agreement.

   Exceptions will be made for:

   - changes that are legally required or mandated by regulators;
   - minor changes in formularies;
   - changes that result in a reduction in benefit level, but have a minimal or no impact on members (*de minimus* changes);
   - treatment modality changes;
   - changes in technology;
   - benefit reductions affecting the low option offered under a flexible benefits program, provided the benefit is available under a higher-level option; or
   - employee-paid benefits within a flexible benefits program shall be increased to match Employer improvements to non-represented flexible benefit programs.

b. A joint committee will be established at the national level to perform an annual review of the regional benefit programs which are subject to this provision, including traditional and flexible benefit plans. The committee will be provided timely annual summaries of such benefit programs and, where appropriate, will agree to changes.

c. Affordable Care Act Excise Tax
Notwithstanding the above, Kaiser Permanente and the Coalition are committed to KP being the affordable health care provider of choice. As part of this commitment, Kaiser Permanente and the Coalition agree to collaborate in assuring that KP is not subject to any PPACA excise tax. If it is determined in May 2017 that a tax would be levied in 2018, the parties will meet and reach consensus decisions by August 2017 to avoid the tax.

d. Disputes arising under this provision will be submitted for review and resolution under Section 1.L.2. of the Agreement.

5. REFERRALS TO THE STRATEGY GROUP

In order to maximize the value of retirement and other benefits, employees should be educated periodically throughout their careers to better understand and utilize the benefits provided and to assist in effective retirement planning. The Strategy Group will appoint a committee to develop the content and materials for an education program for all Kaiser Permanente employees to fully understand:

» the cost of their benefits;

» how to better utilize services;

» how to access their care in the most efficient and effective ways; and

» how they can contribute to holding down the cost of care.

C. DISPUTES

Mutual Review and Resolution Processes [For Sections 2 and 3]

The parties agree that any dispute concerning interpretation or application of Section 2 or 3 of this Agreement first should be addressed at the local level by the parties directly involved in the dispute. Such disputes should be initially handled in accordance with the grievance procedure set forth in the applicable local agreement. Any resolution of the dispute at the local level shall be non-precedent setting.

If no resolution is achieved at the regional step of the applicable local agreement's grievance procedure, within 15 days after receiving the regional response the moving party may submit the dispute to a National Review Council (NRC). The National Review Council will be composed of one permanent representative designated by the Coalition and one permanent representative designated by Kaiser Permanente. The NRC will meet within 10 days after receiving the dispute in an effort to achieve a satisfactory resolution. The NRC will notify the parties, in writing, of any proposed resolution. Unless otherwise mutually agreed by the parties, any resolution shall be non-precedent setting. If no proposed resolution is achieved, or if the moving party does not accept the resolution proposed by the NRC, then the moving party may submit the issue to arbitration within 15 days after receiving notice of the proposed resolution. Arbitration shall be conducted in accord with the procedures set forth below.

SECTION 2

Arbitrations shall be conducted before panels consisting of two union representatives, two Employer representatives and one neutral, third-party arbitrator who will serve as the panel chair.

Within 30 days after ratification of this Agreement, the parties will designate a list of seven arbitrators (one from the East, one from the Rocky Mountain area, two from the Northwest and three from California) to serve as panel chairs in their respective geographic areas. The parties will reach mutual agreement on arbitrators based on their common experience with arbitrators in each geographic area. Arbitrators selected shall be provided an orientation to the Labor Management Partnership and the principles and philosophy of this Agreement.

Each arbitrator shall provide at least three days in a calendar year for panel hearings, so that the panels chaired by each arbitrator shall be scheduled to convene at least once every four months. A panel date may be canceled no more than four weeks in advance if there are no cases to be heard by that panel on the scheduled date. Additional dates may be added based on the need for timely resolution; in such circumstances, the parties will give strong consideration to assigning the case to a panel for a particular geographic area whose arbitrator is able to provide the earliest available date.

Cases will be assigned to each arbitration panel by mutual agreement of the parties at the national level. More than one case may be presented to a panel at each session, and the parties will use their best efforts to assure that cases are presented within the same calendar quarter; preferably within 30 days after the referral to arbitration.

The order and manner of case presentation shall be consistent with the expedited procedures currently used by local parties pursuant to their local agreements. Decisions shall be rendered by a panel majority, and written opinions and awards shall be prepared by the neutral arbitrator. The panel decisions shall be final and binding, and written decisions shall be issued within 30 days after the hearing is closed. The panel decision shall be precedent-setting, unless otherwise mutually agreed by the parties prior to the hearing.

Time limits may be extended by mutual agreement. At any time prior to issuance of a panel opinion and award, the parties at the national level may agree to remand a dispute to an earlier step of the process.

The arbitrator and arbitration panel shall not be authorized to add to, detract from, or in any way alter the provisions of the National Agreement, the Labor Management Partnership Agreement, or any local agreement.

The arbitrator's fee and all incidental expenses of the arbitration shall be borne equally by the parties; however, each party shall bear the expense of presenting its own case and expenses associated with its party panel member(s).

SECTION 3

SCOPE OF AGREEMENT

A. COVERAGE

This Agreement is negotiated and entered into by the parties as a result of voluntary national bargaining conducted pursuant to the national Labor Management Partnership. This Agreement applies only to bargaining units represented by local unions that Kaiser Permanente and the Coalition mutually agreed would participate in the national common issues bargaining process and who, prior to the effective date, agreed to include this Agreement as an addendum to their respective local collective bargaining agreements. Application to any other bargaining unit, other than newly organized bargaining units as described below, will be subject to mutual agreement of the parties.

The parties agree that when a local union signatory to this Agreement is recognized to represent a new bargaining unit of an Employer pursuant to the provisions of the Labor Management Partnership Agreement and the Recognition and Campaign Rules, the local parties shall use an interest-based process to negotiate the terms of a local collective bargaining agreement and the appropriate transition to this Agreement.

For the KPWA local unions that joined the Coalition, the parties negotiated the specific provisions of this Agreement that apply to KPWA as set forth in Exhibit 2.B.3.e., labeled "KPWA – Transition to Partnership."

B. THE NATIONAL AGREEMENT AND LOCAL AGREEMENTS

The provisions of Local Agreements between the Coalition and Kaiser Permanente establish terms and conditions of employment applicable to the recognized or certified bargaining units. The provisions of this National Agreement only apply as an addendum to such Local Agreements if employees in these bargaining units are represented by a Coalition union. If a bargaining unit is not represented by a Coalition union, then the provisions of this National Agreement will not apply or establish additional terms and conditions of employment for that bargaining unit beyond those contained in its Local Agreement.

Provisions of local collective bargaining agreements and this Agreement should be interpreted and applied in the manner most consistent with each other and the principles of the Labor Management Partnership. If a conflict exists between specific provisions of a local collective bargaining agreement and this Agreement, the dispute shall be resolved pursuant to the Partnership Agreement Review Process in Section 1.L.2.

If there is a conflict, unless expressly stated otherwise, this Agreement shall supersede the local collective bargaining agreements; however, in cases where local collective bargaining agreements contain explicit terms which provide a superior wage, benefit or condition, or where it is clear that the parties did not intend to eliminate and/or modify the superior wage, benefit or condition of the local collective bargaining agreement, this Agreement shall not be interpreted to deprive the employees of such wage, benefit or condition. It is understood that it is not the intent of the parties to inadvertently enrich or compound wages, fringe benefits or other conditions or to create opportunities for "cherry picking," "double dipping," etc.

C. NATIONAL AGREEMENT IMPLEMENTATION

The Partnership Strategy Group oversees and will hold their respective leaders accountable for implementation of the National Agreement, including:

- coordinating an implementation plan;
- developing and enforcing accountability;
- sponsoring and chartering continued work;
- identifying needed support; and
- establishing metrics for implementation.

D. DURATION AND RENEWAL

1. The effective date of this National Agreement shall be October 1, 2019, and it shall continue in effect through September 30, 2023.
2. The expiration date of each Local Agreement that adopts this National Agreement as an addendum shall be extended by 4 years. The extended expiration date for each Local Agreement is attached as Exhibit 3.D.

3. The duration provisions of each Local Agreement that adopts this National Agreement as an addendum shall incorporate the extended expiration date.
4. In the event the National Agreement is not renewed or if there is no successor National Agreement:
   - Local Agreements identified in Exhibit 3.D that expire on or before December 29, 2023 will be open for contract negotiations immediately.
   - Employees covered by Local Agreements identified in Exhibit 3.D that expire between December 30, 2023 and October 1, 2025 will receive a wage increase to be determined pursuant to agreement of the local parties. The process for determining these increases will be conducted on a staggered basis between October 1, 2023 and April 1, 2024. The schedule for determining these increases will be established on a national basis no later than April 1, 2023. Local Agreements in this group will be open for contract negotiations based on their expiration date as identified in Exhibit 3.D.
5. All provisions of this Agreement shall expire at midnight on September 30, 2023, except for wages, performance sharing opportunities and benefits, identified in the provisions of this agreement. Those excepted provisions shall continue in effect until the expiration dates of the relevant Local Agreements.

E. LIVING AGREEMENT

The parties acknowledge that during the term of this Agreement, a party at the national level may wish to enter into discussions concerning subjects covered by this Agreement or to modify specific provisions of this Agreement, or a party at the local level may wish to enter discussions concerning subjects covered by the local collective bargaining agreement or to modify its specific provisions. The parties agree that neither a union nor any Kaiser Permanente entity shall refuse to engage in such discussions. The parties further agree that, consistent with the Partnership principles set forth above, they will engage in such discussions with the intent to reach mutual agreement; however, during the term of this Agreement, no party shall be required to agree to any modifications of either this Agreement or the local collective bargaining agreement.

F. SAVINGS OR SEVERABILITY CLAUSE

If any provision, or the enforcement or performance of any provision, of this Agreement is or shall at any time be held contrary to law, then such provision shall not be applicable, enforced or performed except to the extent permitted by law. Both parties agree to construe any provision held to be contrary to law as closely as legally possible to its originally bargained purpose, and to agree on a revised provision that mirrors such purpose. If any provision of this Agreement shall be held illegal or of no legal effect, the remainder of this Agreement shall not be affected thereby.

All Memoranda of Agreement, Letters of Understanding or Side Letters between the Employer and the Coalition local unions will remain in full force and effect throughout the term of this Agreement.

KAISER PERMANENTE AND THE COALITION OF KAISER PERMANENTE UNIONS

2019 National Agreement

In witness whereof the respective parties hereto have executed this agreement effective October 1, 2019.

The parties are identifying the individuals for signatures, which will then be updated.

KP management representatives:

DENNIS L. DABNEY

Senior Vice President, National Labor Relations and the Office of Labor Management Partnership
Kaiser Foundation Health Plan and Hospitals, Inc.

DEANNA DUDLEY

Vice President, Office of Labor Management Partnership and National Labor Relations Strategy
Kaiser Foundation Health Plan and Hospitals, Inc.?

JIM PRUITT

Vice President, Labor Management Partnership and Labor Relations
The Permanente Federation

ARLENE PEASNALL

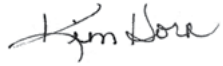
Senior Vice President and Interim Chief Human Resources Officer,
Kaiser Foundation Health Plan and Hospitals, Inc.

JANET LIANG

Executive Vice President, Group President and Chief Operating Officer, Care Delivery,
Kaiser Foundation Health Plan and Hospitals, Inc.

CHRISTOPHER GRANT

Chief Operating Officer and Executive Vice President
The Permanente Federation, LLC



KIM HORN

Executive Vice President, Group President, Markets Outside of California
Kaiser Foundation Hospitals and Health Plan, Inc.

SECTION 3

KP union leaders:

MICHAEL AIDAN

Assistant Executive Director
IFPTE Local 20

DAVE REGAN

President
SEIU-UHW

LINDA BRIDGES

President,
OPEIU Local 2

TAMARA RUBYN

President Business Manager
OPEIU Local 29

MARIANNE GIORDANO

Executive Director/CFO
OPEIU Local 30

RON RUGGIERO

President
SEIU Local 105

SUZANNE MODE

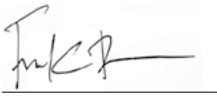
Business Manager
OPEIU Local 8

DIANE SOSNE

RN, MN, President
SEIU Healthcare 1199NW

MEG NIEMI

President
SEIU Local 49



FRANK TORRES

Chief of Staff
SEIU 121RN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SECTION 4

NATIONAL AGREEMENT EXHIBITS

Exhibit 1.B.1.c.1.(1)

2005 PERFORMANCE IMPROVEMENT BTG REPORT, PAGE 7

By centering Partnership on UBTs, we also expect to eliminate parallel, duplicative structures in the organization. There will be fewer meetings, and more will be accomplished because all of the stakeholders are at the table from the beginning. This should help increase union capacity to partner, as well as reduce backfill issues.

We will know how well UBTs have performed by reviewing their performance on the metrics they have chosen, which will be aligned with the goals developed at the higher levels of the accountability structure in Recommendation 1. We would also expect to see improvements on People Pulse scores regarding influence over decisions, involvement in decisions, knowledge of department goals, and use of employees' good ideas.

Developing and implementing UBTs will incur costs, particularly for readiness training, described in more detail in our Recommendation 4, as well as release time and backfill.

Implementation Issues

A key enabler of this recommendation should be the growing sense of urgency, even crisis, among many of us that unless we make Partnership real to frontline employees, supervisors and stewards in the very near future, we will

lose the opportunity forever. There is an equally motivating sense of crisis in the health care market—make significant performance improvement now, or lose market share. At the same time, we are well positioned to implement UBTs at this juncture: we have a shared vision of a high-performing Partnership, we are committed to engaging employees, and we have the resources in place to support the development of UBTs.

We will have to overcome some barriers, including competing priorities and difficulty in measuring results across the program.

We will have to work hard to overcome the project mentality that has taken hold of Partnership—it's a separate, parallel, off-line activity, rather than the way we do business every day. There may also be some concern over the idea that partnering in the business means shifting supervisor work to the UBT members.

Timeline

We envisioned a phased approach to implementation, with the first year focused on readiness training and education and developing a plan to enable employees, supervisors and stewards to operate differently. Again, some parts of the organization already do use UBTs; this plan will provide support for those that do not. The remaining years of the 2005 contract would be spent implementing UBTs, and measuring success based on the jointly developed metrics.

2006: Plan for and agree on a plan to prepare employees, supervisors and stewards to partner in Department Based Teams. Plan will cover needs for business education, training, facilitation, etc.

2007: Jointly developed budget and regional performance objectives in place.

2008: Organization begins to see significant performance improvement attributable to UBTs.

2010: 100 percent of the organization operating in UBTs.

Note: In 2015 the language above was changed to reflect the current term for these teams: unit-based teams (UBTs) from the original department-based teams (DBTs).

Exhibit 1.B.1.c.1.(2)

THE RUTGERS STUDY: WHAT TEAMS NEED

Rutgers, Johns Hopkins and KP researchers identified five key success factors for unit-based teams:

1. ***Leadership:*** Develop strong joint leadership, shift to coaching style of leadership and share information, including financial data.
2. ***Line of sight:*** Make ongoing use of meaningful metrics, encourage systems thinking and show how the work of the team connects to regional goals.
3. ***Team cohesion:*** Make time for face-to-face communication, create a safe learning environment and focus on the work—with the member and patient in the middle.

4. ***Processes and methods:*** Be proficient in the Rapid Improvement Model and use daily huddles to discuss problems and build solutions.
5. ***Infrastructure and support:*** Develop and recognize strong sponsors and provide ongoing training.

Exhibit 1.B.1.c.3.

THE PATH TO PERFORMANCE

The Path to Performance:

Labor Management Partnership Team Development Pathway

Key Tip!

Ask yourself:

Where are your teams in the developmental process?

Who is developing and who isn't?

Why aren't they developing?

What do they need?

How can you and your co-sponsors support their evolution to the next level?

Team Development

Stages of Unit-Based Team Development

Leaders and sponsors play an important role in the ongoing development of unit-based teams (UBTs). The more you understand about where your teams are in the developmental process, and what they need to move to the next level, the more effective you can be in supporting their forward momentum. The faster this process happens,the faster you will see results. Work with your co-sponsors to identify team status, strategize ways to help move them forward and develop a plan for long-term sustainability.

Guidelines for Using the Following Tool

1. Each month, give this tool to your teams and have them assess themselves. They must meet all the criteria in one phase before they can move to the next phase.
2. As the sponsor, part of your role is to track team status monthly. The Team Assessment Tool gives you valuable information you can use to reward teams that are making progress and support those that are not moving forward at a desired rate.

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5
Pre-Team Climate	**Foundational**	**Transitional**	**Operational**	**High-Performing**
Unit is learning what a unit-based team is and how UBTs work.	Team is establishing structures and beginning to function as a UBT.	Team is demonstrating progress on engagement and making improvement.	Team has joint leadership, engagement of team members and improved performance.	Team is fully successful and collaborating to improve/sustain performance against targets.

The Path to Performance:

Labor Management Partnership Team Development Pathway

Dimension	LEVEL 1: Pre-Team Climate	LEVEL 2: Foundational UBT	LEVEL 3: Transitional UBT	LEVEL 4: Operational UBT	LEVEL 5: High Performing UBT
Sponsorship	• Sponsors are identified and introduced to team.	• Sponsors trained. • Charter completed. • Sponsor agreement completed.	• Sponsors regularly communicating with co-leads (minimum monthly communication).	• Sponsors visibly support teams (minimum monthly contact plus quarterly in-person visit). • Minimal outside support needed.	• Sponsors holding teams accountable for performance and reporting results to senior leadership.
Leadership	• Team co-leads are identified or process of identification is under way. • Team has identified a health and safety champion(s).	• Co-leads have developed a solid working relationship and are jointly planning the development of the team.	• Co-leads are seen by team members as jointly leading the team.	• Co-leads are held jointly accountable for performance by sponsors and executive leadership. • Trust has been built to such an extent that either co-lead can lead meetings in the other's absence. • Health and safety champion(s) have begun work with team.	• Team beginning to operate as a "self-managed team," with most day-to-day decisions made by team members. • Self-managed teams have developed a level of trust that allows them to proceed with work/meetings in the absence of both co-leads.* ** This is not intended to supersede the UBT charter.*
Training	• Co-lead training completed. • Team has created initial action plan and keeps it updated.	• Team member training (e.g., UBT Orientation, RIM+) completed.	• Advanced training (e.g., business literacy, coaching skills, metrics) completed. • UBT Tracker training completed. • Representative team members have completed business literacy training subject to regional/medical center availability.	• Advanced training (e.g., training in process improvement tools, change management training; depends on team needs). • Focus area-specific training (e.g., patient safety or improvement tools to address human error-related issues). • In consultation with their sponsors, teams should determine which types of training are appropriate using the examples listed above.	• Focus area-specific training. • Advanced performance improvement training (e.g., deeper data analysis, control charts, improvement methods). • In consultation with their sponsors, teams should determine which types of training are appropriate using the examples listed above.
Team Process	• Traditional; not much change evident. • Team meetings scheduled and/or first meeting completed.	• Staff meetings operating as UBT meetings (no parallel structure). • Co-leads jointly planning and leading meetings.	• Team meetings are outcome-based; team members are participating actively in meetings and contributing to team progress and decision making. • Co-leads moving from direction to facilitation.	• Co-leads jointly facilitate team meetings using outcome-focused agendas, effective meeting skills and strategies to engage all team members in discussion and decision making. • Team makes use of huddles to reflect on tests and changes made. • Team collects own data and reviews to see whether changes are helping improve performance.	• Team beginning to move from joint management to self-management, with most day-to-day decisions made by team members. • Unit culture allows team to respond to changes quickly. • Team can move from first local project to next improvement project and can apply more robust changes. • Team measures progress using annotated run charts. • In consultation with their sponsors, member-facing departments are getting direct input from the voice of the customer. • Team must spread or adopt a successful practice.
Team Member Engagement	• Minimal.	• Team members understand and use partnership processes, i.e., consensus decision making. • Team has established a communication structure to reach all members of the department.	• Team members understand key performance metrics. • At least half of team members can articulate what the team is improving and what their contribution is.	• Unit performance data is discussed regularly. • Large majority of team members are able to articulate what the team is improving and their contribution.	• Team members able to connect unit performance to broader strategic goals of company. • Full transparency of information. • Team is working on tests of change related to staffing, scheduling, financial improvement, and other daily operations issues.
Use of Tools	• Not in use.	• Team members receive training in RIM+, etc.	• Team is able to use RIM+ and has completed two testing cycles within one or more projects. • Team has begun documenting projects and testing cycles in UBT Tracker.	• Team has completed three or more testing cycles, making more robust changes (e.g., workflow improvement rather than training). • Team documents all projects and testing cycles in UBT Tracker at least every 90 days.	• Team using advanced performance improvement training. • Team can move from initial project to next improvement effort, applying deeper data and improvement methods.
Goals and Performance	• Team does not have goals yet.	• Co-leads discuss and present data and unit goals to teams.	• Team has set performance targets, and targets are aligned with unit, department and regional priorities.	• Team has achieved at least one target on a key performance metric. • UBT can demonstrate improvements on at least two areas of the Value Compass (to be implemented when UBT Tracker allows projects to be listed under more than one category).	• Team is achieving targets and sustaining performance on multiple measures. • UBT can demonstrate improvements in all areas of the Value Compass (to be implemented when UBT Tracker allows projects to be listed under more than one category). • Team demonstrates a culture of health and safety.

Exhibit I.B.1.d.

PATHWAY TO PARTNERSHIP PERFORMANCE

The Implementation Timeline:

1. The National LMP Co-chairs will present recommendations to the LMP Executive Committee at the November 2015 meeting.
2. Pilot the *Pathway to Partnership Performance* tool between January and June 2016.
3. The LMP Executive Committee will evaluate and finalize the tool by August 30, 2016.
4. Implement the tool organization-wide in last quarter of 2016 to assess and set initial performance levels for facility, area and region.
5. Reassess each facility, area and region on a quarterly basis.

Examples of *Pathway to Partnership Performance* metrics may include, but are not limited to:

1. Active LMP Councils
2. Service scores
3. UBT levels
4. Culture of health and safety
5. Attendance
6. People Pulse and other measures as may be appropriate
7. Support for LMP and UBTs
8. Building a learning organization
9. Integration of LMP with Performance Improvement infrastructure and goals
10. Workforce planning (regional level only)
11. Problem solving (number of disputes, time to resolve, etc.)

Exhibit 1.C.1.b.

2010 LMP SUBGROUP RECOMMENDATION: FLEXIBILITY

1. Labor and management should address issues regarding flexibility using IBPS.
2. Agreements reached are non-precedent setting.
3. The Executive Committee of the LMP Strategy Group shall appoint a group to assist with the enhancement of best practices in implementation of flexibility as it exists in the NA. Some guidelines for this enhancement include:
   a. That management will engage labor in a discussion beginning in the initial stages of the development of an initiative or program; and
   b. The committee shall review and problem solve issues where disputes develop.

Exhibit 1.C.4.(1)

2005 SCOPE OF PRACTICE BTG REPORT, PAGES 14–17

SECTION X: REFERENCES

Reference 1: National Compliance Plan
Reference 2: Regional Scope of Practice Committee Structure and Process

Region	SOP Committee Structure and Process Summary
COLORADO	
Purpose	The purpose of the Scope of Practice Oversight Committee is to provide region-wide monitoring, leadership and oversight for compliance with legal, accreditation and organizational scope of practice requirements. To achieve this purpose, the committee will: » Assure alignment of Health Plan, CPMG and union leadership to address scope of practice risks, » Identify and prioritize clinical areas at risk for Scope of Practice violations, » Assure clear delineation of accountabilities between practitioners (physicians and allied health professionals) in job descriptions, care delivery documentation, and information systems, » Assure that a process to identify and stay current on scope of practice and related billing laws, regulations, and accreditation standards for all practitioners is in place, » Communicate physician responsibility for assuring the quality of medical services found in care delivery models, clinical guidelines, clinical policies, and quality standards, » Assure that reviews of existing and new care delivery models are conducted, in consultation with Compliance, Risk Management and Legal as appropriate, for scope of practice consideration, and » Assure scope of practice corrective action plans are developed and implemented as appropriate.
Membership	CHAIR AND MEMBERSHIP The Regional Compliance Officer and Director of Business and Clinical Risk Management co-chair this committee. The membership shall consist of representatives from Behavioral Health, Pharmacy, Nursing, Operations, CPMG, Local 7, Local 105, HR and Coding.

Exhibit 1.C.4.(1) continued

Region	SOP Committee Structure and Process Summary
COLORADO	
Reporting	At least annually, representatives of the SOP Oversight Committee shall meet with and report to the Colorado Compliance Executive Committee. The report shall include: » Assessment of current SOP risk areas, and recommendations to mitigate risk, » Information on monitoring and internal controls present in operational areas, and » A summary of significant SOP activities undertaken since the last report.

Exhibit 1.C.4.(1) continued

Region	SOP Committee Structure and Process Summary
MID-ATLANTIC STATES	
Purpose	The Committee Will: » Develop and maintain an inventory of scope of practice requirements by position type; » Review and approve protocols, policies and procedures created by the Committee to meet scope of practice regulations and requirements for unlicensed and licensed clinical and support staff; » Develop and oversee implementation of annual scope of practice work plan and action items; » Establish a mechanism for recurring review of clinical position descriptions; » Evaluate existing and proposed clinical practices for scope of practice risks and/or violations and the impact on scope of practice; » Develop and oversee scope of practice training and education throughout the region; » Coordinate with existing committees and work groups to ensure that scope of practice issues are addressed effectively; » Provide recommendations to Committee sponsors and senior leadership regarding identified opportunities for change; » Monitor corrective actions to ensure continued compliance with prescribed scope of practice requirements and regulations; » Collaborate with appropriate departments to ensure that changes are integrated into existing systems, policies and processes; and » Maintain a reporting relationship with the Regional Quality Improvement Committee and the Compliance Department. Reporting to occur not less than quarterly. Subcommittees may be created as needed to facilitate completion of specialized tasks.
Membership	MEMBERSHIP, LENGTH OF TERM AND VOTING: The Scope of Practice Committee shall consist of the following people or their designees: » Clinical Compliance Coordinator (Co-Chair) » Regional Nurse Executive (Co-Chair) » Regional Compliance Officer

Exhibit 1.C.4.(1) continued

Region	SOP Committee Structure and Process Summary
MID-ATLANTIC STATES	
Membership (continued)	» Vice President for Strategic Services/Compliance, MAPMG » Director, Quality Management Operations » Regional Manager, Nursing Practice and Education » Assistant Medical Director, Information Management & Research, MAPMG » Labor Management Partnership representative(s) » Medicare Compliance Manager » Senior Compensation Consultant » Director, Human Resources (ad hoc) » Director, Professional Staff Office and Delegation Oversight » Primary Care Physician (Service Chief or Physician Director) » Specialty Physician » Clinic Coordinator
Reporting	Mid-Atlantic Scope of Practice Committee reports quarterly to the Regional Quality Improvement Committee (RQIC)
NORTHERN CALIFORNIA	
Purpose	Purpose of our Regional Non-Physician Practitioner Scope of Practice Advisory Committee: The Non-Physician Practitioner Scope of Practice Advisory Committee is established to evaluate non-physician practitioner scope of practice issues that exist at Kaiser Permanente and to advise on implementation plans to address these issues. The work of the committee and workgroups includes identifying sources of SoP issues, prioritizing risk of each issue, identifying system gaps, proposing action plans when needed, recommending implementation plans that encompass KP's 7 Element Compliance Template, assigning accountabilities for actions to be taken and advising on the development of an infrastructure for ongoing identification and resolution of SoP issues.

Exhibit 1.C.4.(1) continued

Region	SOP Committee Structure and Process Summary
NORTHERN CALIFORNIA	
Membership	**Membership** includes representation from: » Patient Care Services locally and regionally » Medical Group Administration locally and regionally » Regional Compliance » Program Office Legal Department » Accreditation, Regulation & Licensing » Regional Credentialing & Privileging » Local Assistant Administrator for Quality » APIC for Risk » Pharmacy Operations » Patient Business Services **Ad hoc members** » TPMG Legal » TPMG Human Resources » Continuing Care Leader » Human Resources Compliance » Program Office Legal » Work group: Includes labor representation of roles being addressed (2–3)
Reporting	This group reports regularly to the Executive Compliance Committee and will report any quality of care issues to the Quality Oversight Committee
SOUTHERN CALIFORNIA	
Purpose	SCOPE AND AUTHORITY: » Identify areas of risk, facilitate resolution and implementation of actions and monitor Scope of Practice across all care venues
Membership	CO-CHAIRS [names deleted]: » AMD, SCPMG » SVP & SAM, KFH/HP

Exhibit 1.C.4.(1) continued

Region	SOP Committee Structure and Process Summary
SOUTHERN CALIFORNIA	
Membership (continued)	MEMBERSHIP: » Vice President, Quality and Risk Management, KFH/KFHP » Executive Consultant, Quality and Risk Management, KFHP/KFHP » Executive Director, Patient Care Services, Operations, KFHP » Manager, SCPMG Nursing Administration, SCPMG » Medical Group Administrator, Bellflower, SCPMG » Medical Group Administrator, South Bay, SCPMG » Counsel, KFHP » Senior Consultant, AR&L » Labor Coalition Representative » Ann Sparkman, Director of Health Care Compliance, NCO » Project Support: Management Consulting
Reporting	» Southern California Regional Compliance Leadership Committee » Southern California Quality Committee SCQC » Southern California President and Regional SCPMG Medical Director
NORTHWEST	
Purpose	To address regional scope of practice issues for both licensed and unlicensed clinical and support staff in order to identify and address areas for improvement in compliance, patient safety and operational efficiencies.
Membership	REPRESENTATION The committee shall consist of: **Management Representatives:** » Integrity, Compliance and Ethics Manager(s) (stakeholder) » NW Permanente Physician (stakeholder) » Health Plan Legal Counsel (consultant) » Human Resource Manager (consultant) » Director, Ambulatory Nursing (stakeholder) » Pharmacy Manager (consultant) » KP HealthConnect Representative (consultant) » Medical Office Managers (stakeholder) » NW Perm & PDA General Counsel & Compliance (consultant) » Laboratory Services (consultant)

Exhibit 1.C.4.(1) continued

Region	SOP Committee Structure and Process Summary
NORTHWEST	
Membership (continued)	**Labor Representatives:** » OFN Health Professional (stakeholder) » OFN – RN (stakeholder) » SEIU – LPN (stakeholder) » SEIU – MA (stakeholder) **Staff Support**
Reporting	This committee will have a reporting relationship to ROG and Compliance Department and also have access to MOLT (when decisions need to be worked out). Specific senior leaders who have been identified are: [names deleted].

Exhibit 1.C.4.(2)

2005 SCOPE OF PRACTICE BTG REPORT, PAGES 9–11

SECTION VI: EDUCATION PLAN

I. Basis for Recommendation

By providing SOP education, we can increase staff awareness and enhance the quality of patient care. Currently, little frontline education is provided to KP employees about SOP issues, and the consequences of non-compliance.

II. Accountabilities for SOP Education for Patient Care Staff, Management and Physicians

National

» Create SOP Education "Toolkit"
  › developed by content experts in LMP context
» Create annual updates on SOP development

Facility/Service Area/Region

» Provide a 2- to 4-hour basic SOP training for all staff, managers and physicians
» Provide release time for training and backfill needs
» Provide skills training related to SOP to encourage working toward full scope. This includes new and remedial skills training as a result of advances in technology (i.e., KP HealthConnect), changes in regulations and changes in assignments.
» Provide ongoing in-service education on SOP
» Provide new employee orientation on SOP

Individual

» Participate in mandatory KP SOP training
» Attend CEUs as required
» Know own SOP; be aware of SOP of other team members

III. SOP Education Toolkit Content

Model after LMP "Think Out of the Box" toolkit. (Toolkit should be developed with input from content experts and in LMP)

Part A (Initial Basic Training Toolkit)

1. What is SOP?
   - › Why is it important?
   - › History of KP SOP issues
2. Individual SOP/licensure requirements
   - › Laws and regulations impacting SOP
     - › State specific
   - › KP SOP policies
3. What is the process to get SOP issues or concerns addressed?

   How to elevate a concern for resolution:
   - › tree
   - › FAQs
   - › decision ADO form
   - › Compliance hotline
4. Scope of Practice Limitations:
   - › What are the legal risks and consequences of exceeding SOP?

Part B (Additional/Ongoing Training Materials)

1. Video presentation
   - › Legal, NCO, Labor, NLT representatives speaking on importance of SOP
   - › Case studies/dramatizations of SOP situations

IV. Implementation of SOP Education

A. Phase I

- › Identify National LMP task group to develop SOP tool kit by 12/31/2005
- › Produce Part A SOP tool kit by 3/31/2006
- › Design, test, and conduct 2- to 4-hour mandatory basic training for SOP, to include Part A toolkit, by 6/30/2006

B. Phase II (Timing to be determined by CIC)

- › Develop Part B of SOP toolkit
- › Provide ongoing, updated SOP training utilizing department staff meetings, and Part B toolkit
- › Develop and provide skills training programs
- › Develop SOP module for New Employee Orientation Program
- › SOP competency to be part of job descriptions and annual evaluation process

C. Additional Consideration

- › CEUs should be available for participation
- › Labor and management accountability for ensuring participation
- › Integrate concepts in KP HealthConnect training
- › Pre- and post-testing for evaluation and CEUs
- › Fun, creative and engaging training (i.e., Scope of Practice week, Jeopardy Game, etc.)

V. Costs Associated with Recommendation

- High initial cost for broad-based employee training and toolkit
- Preventive expenditure; should prevent fines and penalties for noncompliance; costs of litigation; reputation damage
- Return on investment will be significant
- Look at existing internal structures to help support training and toolkit (i.e., KPHC CBA, Department meeting)

VI. Implementation

1. Within 90 days of ratification, across the program, leadership will:
   - assess standing committees that may impact SOP;
   - determine which committee at each level is best positioned to coordinate and integrate SOP issues; and
   - assure that committees are operating within LMP process, structure and following the SOP Vision and Principles
2. Resource and implement education plan, with initial phase completed by mid-year 2006.
3. Establish reporting systems/metrics
   - Annual regional SOP report to National Strategy Group
   - Tracking system of SOP issues for regional sharing of successful practices
4. Develop and implement a communication plan.

Exhibit 1.D.3.

WORKFORCE PLANNING AND DEVELOPMENT IMPLEMENTATION EXHIBIT

Workforce Planning and Development Communications Strategy

The parties intend for the National Workforce Development Team (Section 1.D.2.b.) to develop and implement a Workforce Planning and Development Communications Strategy for the entire organization, not later than March 31, 2011. The communications should be targeted to appropriate stakeholders, across all levels and locations, including national and regional stakeholders, and local labor organizations. A Communications Strategy will promote an understanding of Workforce Planning and Development resources, program and opportunities, such as but not limited to:

1. Cataloguing, including Best Practices
2. Managing impacts/expectations
3. Leveraging existing communications channels
4. Leveraging Unit-Based Teams

Hard-to-Fill Positions—2012 Update

Each Regional Workforce Planning and Development Committee will develop a regional plan by June 2013 to implement recommendations contained in the September 1, 2011, Hard to Fill report and/or subsequent reports. These plans

will be submitted to the Regional LMP Councils and the National Workforce Planning and Development team. Critical factors to consider in each plan include: cost and ease of implementation, risk of not implementing, funding sources, endorsements and timelines. When considering additional funding sources, regions shall submit budget requests for 2014 according to their budget cycle.

Each region will begin executing its Hard to Fill implementation plan by the end of 2013.

Each region will work collaboratively with labor to develop a process to create alternatives to the minimum experience requirements for Hard to Fill positions in the region.

Explore utilization of the KP School of Allied Health Sciences (KPSAHS) as a training resource (including as a distance learning option) for Hard to Fill positions. Develop options to make the KPSAHS training programs available to all KP regions, as appropriate, and seek alliances with regional academic partners to support training.

Education Trusts Base Services

Education Trust Base Services currently include:

1. Cohort training
    a. Professional development
    b. Basic skills
    c. Hard-to-fill/critical needs
2. Individual Stipend Program
3. Forgivable Loan Program
4. Career Counseling Program
5. Trust Administration Costs
6. Educational Staff (e.g., Nurse Educator Position)
7. Program Development
8. Program Evaluation and Metrics

Exhibit 1.E.4.

INTEGRATED APPROACH TO EDUCATION AND TRAINING

The Implementation Timeline:

1. In early 2015, the National LMP Co-chairs convened LMP learning experts from across the regions to conduct an inventory and assessment of current approaches to LMP learning to move toward an integrated system that supports sustained behavior change, partnership and performance.
2. The National LMP Co-chairs will make recommendations to the LMP Strategy Group at its annual fall meeting on how to advance this work.
3. In 2016, new learning modalities and approaches will be piloted for deployment across the program later that year.

Learning modalities can include: classroom training, interactive, online, one-on-one coaching, reinforcement through experience and feedback, social media, mobile applications, gaming and other motivational approaches.

Exhibit 1.F.

2005 ATTENDANCE BTG REPORT, CONCEPT NO. 3, PAGES 20–23

BUDGETING, STAFFING
AND SCHEDULING

Concept 3: Provide budgeting, staffing and scheduling at the unit level to ensure adequate backfill for time off.

Interests/Objectives

1. Provide backfill so employees are able to use leave benefits appropriately and take time off when requested.
2. Provide adequate staffing within the budget to cover the work operations and other work-related requirements.
3. Ensure forward-looking planning to anticipate and provide for future staffing needs.
4. Budget realistically to provide for all components of legitimate time off from work and apply those budget components as intended.
5. Accurately track requests for time off to provide managers and employees with transparent data on time off.

N. Approach:

Staffing Model

1. Each unit develops a unit-level staffing model (core staffing) that specifies the staffing needed to cover operations (refer to joint staffing language in the National Agreement). The model will include assumptions about productivity and performance that reflect both historical experience and expectations of process improvements.
2. The model will include workload factors such as seasonal fluctuations.
3. The model will also include all time away from work and work-related assignments.
4. The staffing model identifies core staffing levels for various operating levels and identifies triggers for backfill based in part on service level metrics (e.g., if service levels fall below a certain defined point).
5. The model must account for specialized skills and hard-to-fill occupations.
6. There will be no automatic backfills: it will be based on the staffing model, which may specify different staffing coverage in different operating circumstances.
7. The staffing model will be reviewed on an annual basis and adjusted as needed.

Workforce Planning

1. Each unit will jointly develop an annual workforce plan to cover the staffing requirements defined in the staffing model.
2. The workforce plan will be reflected in the unit staff and backfill budget.
3. The plan will project staffing availability based on the current employees, contractual time off, actuarially-based illness and injury, and workforce demographics.

4. The plan will identify ways to cover short-term staffing needs such as full time, part time, on-call, overtime, float pool, cross-training, flexible assignments, etc., in a way that allows a relatively stable permanent workforce while striving for full workforce utilization.
5. The plan will also identify the need to recruit, train and develop employees to fill operational requirements in the future.

Budgeting Process

1. At a regional level, the budgetary process will include a line item for backfill/replacement in each unit budget.
2. The process for developing the regional budget for backfill will include meaningful labor input and participation.
3. A replacement factor will be established as a multiple of the payroll budget that will be based on contractual time off (vacations, holidays, etc.), an actuarially-based projection of illness and injury, including FMLA projections based on previous years, and provision for other activities such as training, meetings and LMP projects.
4. The replacement factor may be adjusted by operating needs as reflected in the staffing model (i.e., replacement staff may not be needed in certain situations).

Budgeting Illustration

Time-off Budget (per employee)	Days
Vacation (average)	20.0
Holidays	6.0
Personal days	3.0
Sick leave (average)	7.3
FMLA	1.8
Workers' Comp	0.9
Education/Training	5.0
Meetings (1 hour/week)	6.0
Projects/improvements (average)	2.0
TOTAL:	**52.0**

Total time off: 52 days / (52 weeks x 5 days = 260 days) = .20 or 20 percent

Discount (assuming replacement does not occur in 40 percent of cases due to workload, scheduling and flexibility): .20 x .40 = .08 or 8 percent

Net time-off factor for budget (.20 – .08 = .12) or 12 percent replacement factor

May need to adjust the factor if the unit chooses to backfill a significant percent of time off with higher-cost sources (overtime or temp agency) instead of permanent staff.

Budget Line Items

Personnel	$ 1,000,000
Benefits @ 42 percent	$ 420,000
Backfill @ 12 percent	$ 120,000
Total Personnel Budget	**$ 1,540,000**

Innovative Work Schedules and Scheduling

1. Local units should consider flexible work schedules to enhance the ability of the unit to provide scheduled time off. Examples of flexible work schedules include: flex scheduling, telecommuting, job sharing, etc. (See p. 11 of the National Agreement. This states "Respect for seniority and union jurisdiction, flexibility for employees' personal needs… Flexibility in work scheduling, work assignments and other workplace practices.").
2. Local units should consider self-scheduling concepts, including self-directed teams where work groups would have responsibilities and be allowed to schedule themselves to accomplish them within defined parameters.
3. Facilities should consider services, vouchers or referral services to help employees address family issues (e.g., child care or elder care).

Tracking Time Off Requests

Short Term

1. Develop a basic system to capture data on requests for time off, approvals, denials and reasons for denials. The system may be a manual tracking sheet or a standalone computer application.
2. Use collected time-off data to set targets for time-off requests and to support scheduling.
3. Establish reporting of time-off data.
4. Complete and file time-off request reports at business-unit level.
5. Create monthly summaries of time off requested, taken and denied, and submit to Region to establish a region-wide view.
6. Consider limiting requests for denial data to those areas identified as high-absenteeism areas, as part of a specific intervention process.

Timeframe: Implement time-off reports by June 30, 2006

Long Term

1. Integrate and automate time-off requests and approval/denial into scheduling and/or timekeeping systems.
2. Integrated systems will include reporting at a unit level to facilitate administration of time-off requests as well as roll-up reporting to regional and national levels.
3. Each employee will have access to their own time-off request and status tracking via a self-service system such as a website.

Administering Time Off

1. Within the staffing plan, management and employees will work together to provide the flexibility, including flexible work schedules, to allow time off. Time off will not be allowed to compromise operating goals such as quality, service levels or safety.

2. Management and labor will jointly develop a system for requesting and approving or denying time off that is prompt, fair and transparent.
3. Frontline management and labor will jointly develop targets for percentage of requested time off granted.
4. Using data from the tracking system, the unit will jointly monitor requests for time off and work together to correct shortfalls.

Exhibit 1.H.2.a.

CREATING A WORKPLACE CULTURE OF HEALTH

Exhibit 1.H.5.

May 22, 2003
(Relevant section only)

MANDATORY OVERTIME DOCUMENTS

Applicable to all classifications.
It is the intent to discontinue the practice of scheduling/requiring mandatory overtime. Effective August 15, 2003, mandatory overtime will not be used except in a government-declared state of emergency. Even in a state of emergency, the facility/facilities will take all reasonable steps to utilize volunteers and to obtain coverage from other sources prior to mandating overtime. The pre-implementation time will be used to assess practices and develop new scheduling processes to make the discontinuance of mandatory overtime possible.

Specifically, the parties will jointly review where the practice of mandatory overtime exists and work with department staff to develop procedures, processes and solutions to avoid this need in the future. At the end of the pre-implementation period, it is expected that joint processes/procedures will be in place to assure successful implementation of the elimination of mandatory overtime after August 15.

Mandatory Overtime – Principles and Tools

We have a mutual vision to make Kaiser Permanente the best place to work, as well as the best place to receive care. Through the Partnership, unions, management and employees are sharing responsibility, information and decision making to improve the quality of care and service and enrich the work environment. The ability to rely on a stable schedule is fundamental to this equation and the parties have therefore committed to discontinue mandatory overtime practices. Our overall goal is to avoid the mandatory assignment of unwanted work time outside of schedule requirements of the posted position.

A recent review indicated that there are very few departments or units where the problems resulting in the need for mandatory assignments remain. As a result, the parties have jointly prepared the following principles and tools to assist those areas in problem solving the issues and achieving the goal.

Principles

- There is value in achieving the goal.
- Patient care is of utmost importance.
- Stability in work schedules is of utmost importance.
- Respecting personal responsibilities and lives contributes to overall morale and commitment.
- Management, Union and Employees should work collaboratively to identify the underlying issues and seek solutions.
- Problems should be approached in an interest-based manner.
- If the problems creating the situation or solutions are beyond the control of the concerned department, the employees, union and management will prepare a joint summary of the problem(s) and potential temporary and long-term solutions.

» For situations that are not resolved at the work-unit level, every region will establish a joint review and appropriate problem-solving (i.e., issue resolution) process that provides for escalation to the highest joint partnership body for the Region. Ultimate solutions will be crafted in conjunction with Senior Regional and Union Leadership.

Tools

Departments/units needing assistance in achieving the goal are encouraged to use the following tools in problem solving:

» Interest-Based Problem Solving

» Mandatory Work Prevention Process developed by joint team in NCAL (attached)

» Joint Staffing Processes

» Root Cause Analyses

Training: What do we need to do in terms of training in order to prevent mandatory overtime?

1. Train managers/staffers, key partners and stakeholders in best practices of core staffing principles, including following contract language and use of tools such as ANSOS.
2. Expand current attendance education program information on mandatory overtime, covering topics such as prevention, staffing, appropriate use, etc.
3. Where appropriate and as needed to prevent mandatory overtime, provide skills training within common or overlapping occupational areas.
4. Implement manager training identified by workforce planning committee.

Communication: What do we need to do in terms of communication to prevent mandatory overtime?

1. Use LMP teams to communicate process, training and other aspects to prevent mandatory overtime.
2. Communicate the outcome of the Mandatory Work Prevention Process (MWPP). Collect data from staffing; then give data to LMP teams to communicate.

Process: What a unit should do if mandatory work seems like it is required.

1. Follow the MWPP as designed by your work group.
2. Evaluate what work could be postponed or prioritized for future time.
3. Read and follow your CONTRACT.
4. Start with the Volunteer List in Department to get someone to work.
5. If no volunteers, contact all available staff in Department and ask them to work.
6. If there are no department staff, ask trained (on duty) staff from other departments and/or facilities who have made themselves available.
7. WAEF (when all else fails)—be as creative and flexible as possible.
   - › Try creative solutions, i.e., sharing/splitting a shift among staff; ask day staff to stay over or ask night shift staff to come in early; offer to give someone another day off if they come in if that will help.

8. If creativity doesn't work, you can try outside registry.
9. If you are unsuccessful up to this point, re-evaluate need and make the decision, if you must, to initiate mandatory work per agreement.
10. Record and report mandatory work to appropriate parties per MWPP.
    - › Following your unit's plan, bring each episode of mandatory work to your decided-upon forum. Review why the mandatory work happened. Try to figure out how it could be prevented in the future. Identify issues and trends.
    - › Twice a year report to your facility LMP Committee a summary of each of your mandatory episode reviews.
11. Continue to seek volunteers to relieve mandated staff up until the shift starts.

Next Steps

Facilities

1. Each facility LMP committee should review this document and communicate the information to each department.
2. Each department in the facility should determine how they are going to prevent mandatory work in the future. They should share their ideas with the facility LMP Committee so good ideas can be communicated.
3. Each department should review the process described in packet and think about how they can be creative in the future.
4. Each department needs to decide on the forum or meeting that they will discuss episodes of mandatory work. Ideas could be: joint staffing meetings, department meetings, etc.
5. At least twice a year each department should send a report of its episodes of mandatory work, issues, ideas, solutions or trends. (Sample attached)
6. The facility LMP groups will monitor the episodes of mandatory work. Share good ideas, identify trends, maintain statistical information and work with those departments that continue to have mandatory work and their respective entity leadership to help prevent future mandatory work.

Northern California Oversight

The LMP Northern California Oversight group will request the facility summaries of mandatory work at least once a year in order to identify Northern California trends, share best practices and influence the prevention (leading to the elimination) of mandatory work.

Office of LMP

The office of the LMP will include the prevention, process and reporting of mandatory work in the ongoing development of Joint Staffing.

Labor Management Steering Committee

Work with the appropriate HR and IT Systems staff to develop a timecard code and procedure to record mandatory work.

MANDATORY WORK REPORT

Presented by: (Name of Facility)_____

Kaiser Permanente Labor Management Partnership

Name of Unit:_____ Date Submitted: _____

Date Mandatory Work Required	# of Hours Required	Was it a		Why Did You Need Mandatory Work	Describe Your Process Before Requiring Mandatory Work	Summary of the Unit's Discussion of Mandatory Work	How Will You Prevent It In the Future	Is This a Trend?	Issues, Questions, Concerns, Needs or Comments
		Planned Need	Emergent Need						

Exhibit I.J.5.

INTEGRATED DISABILITY MANAGEMENT IMPLEMENTATION TIMELINE

Joint evaluation of the implementation and effectiveness of the IDM program will begin by October 1, 2015. Recommendations will be completed by November 1, 2016. Changes will be implemented by November 1, 2017.

Exhibit I.J.6.

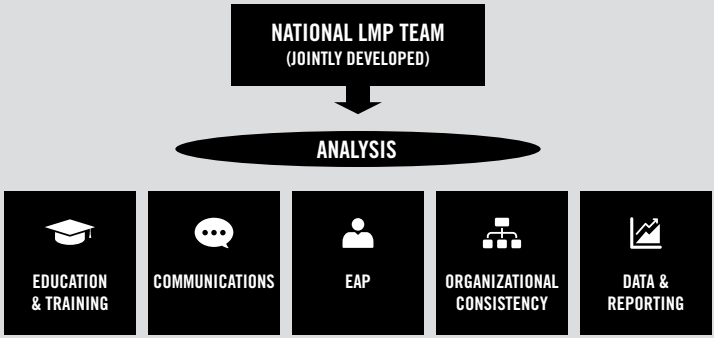
WORKPLACE VIOLENCE PREVENTION

The Implementation Timeline:

» The Goal of the National LMP Team is to complete the analysis by September 30, 2016. If more time is needed to complete the analysis they will report the status of work and request additional time from the National LMP Co-chairs.

» Initial recommendations shall be made by December 31, 2017, and shall include implementation dates.

Workplace Violence Prevention Program



Areas of Focus for the National Team:

» Education and Training Focus:
  › Catalog current trainings in the various forums;
  › Spread successful practices and implement consistently; and
  › Develop new trainings, as needed. These trainings should address the various forms of violence in the workplace.

» EAP Focus:
  › Ensure EAP resources are consistent throughout all Regions;
  › Identify inventory and make sure it is known throughout all the Regions; and

- Identify other opportunities, such as sensitivity training regarding intentional and unintentional bullying.

» Organizational Consistency Focus:

- Involve Labor, program-wide, in the Threat Management Team (TMT) process;
- Consistently implement TMT throughout all Regions; and
- Identify successful violence prevention practices (e.g., Green Blanket program, a violence prevention "toolkit" available to managers and frontline employees) and make recommendations to spread consistently throughout the Regions.

» Data and Reporting Focus:

- Identify the opportunity for a single data flow reporting process on events identified for common reporting. Include collecting and analyzing data and trends, and developing strategies to address them.

» Communication Focus:

- Develop a communication process which includes "Follow-Up" assurance with the originator of the concern or complaint; and
- Develop a communication strategy to increase awareness of violence prevention programs. For example: Annual Awareness week; a Resource Guide; etc.

Exhibit 1.K.4

September 25, 2019 SIDE LETTER REGARDING SUBCONTRACTING AND OUTSOURCING

Between

KAISER FOUNDATION HEALTH PLAN/ HOSPITALS, THE PERMANENTE MEDICAL GROUPS

And

THE COALITION OF KAISER PERMANENTE UNIONS, AFL-CIO

Preamble

This Agreement is entered into by and between the Coalition of Kaiser Permanente Unions and the signatory Kaiser Permanente (KP) (together, the Parties), effective upon ratification.

Section 1: Definitions

a. Subcontracting. Subcontracting is defined as the use of a third party to perform bargaining unit work that is currently performed by existing Coalition-represented employees within a Kaiser Permanente campus or facility.

b. Outsourcing. Outsourcing is defined as the use of a third party to perform work that would no longer be provided within a Kaiser Permanente campus or facility.

c. Insourcing. Internalizing work that was previously performed in the bargaining unit, or which is Union eligible, that has been outsourced, to be performed by bargaining unit employees.

d. Costs. Capital expenditures, equipment, supplies and FTE efficiencies, but excluding the cost of wages and benefits.

Section 2. Subcontracting

a. During the term of this Agreement, Kaiser Permanente will not subcontract existing jobs and functions currently performed by Coalition-represented employees at any Kaiser Permanente campus or facility. This limitation does not apply to jobs or functions that are already being performed by a third party at the time of this Agreement.

b. In addition, this limitation applies to the following categories, regardless of whether the work is performed at a Kaiser Permanente campus or facility:

1. Revenue Cycle functions, including but not limited to Medical Records, Medical Coding and Patient Billing
2. Call Centers
3. Virtual Visits, including those performed by LVNs and MAs
4. Laboratory
5. Home Health
6. Pharmacy

c. During the term of this Agreement, the parties agree to work together to achieve sufficient improvements in the process, efficiency, quality and productivity of Kaiser Permanente's departments as to negate the need for subcontracting, and to maintain that level of performance thereafter.

Section 3. Outsourcing

The parties also recognize that changes in technology, regulation, rapid development and escalation in business systems, processes, risk, and new and undefined competitors may give rise to Kaiser Permanente reconsidering the way some work is done. In circumstances not involving the categories in Section 2.b., Kaiser Permanente may choose to pursue outsourcing. The criteria below will be used by the Employer to determine whether the presumption against outsourcing has been overcome. In applying these criteria, Kaiser Permanente may consider costs, defined as capital expenditures, equipment, supplies and FTE efficiencies, but excluding the cost of wages and benefits.

1. The market, consumer demand or Kaiser Permanente's ability to compete requires that it gain access to a level of capabilities that cannot be developed or maintained in house.

2. Kaiser Permanente's current method of performing work is no longer competitive and it cannot make it competitive.

3. There is a significant business need to free internal resources for other purposes/priorities.

4. Outsourcing would enable Kaiser Permanente to improve its focus on its core business.

5. Management of security, compliance or other significant risk requires that an outside vendor manage a function.
6. Outsourcing would strengthen the company as a whole.

Consistent with the parties' previous agreements, the parties will consider the possibility of insourcing work that has previously been outsourced.

For the term of this Agreement, this Agreement shall replace the July 15, 2005, Memorandum of Understanding Regarding Sub-contracting.

Section 4. Committee on Evolving Technology, Innovation, Automation and Competitive Forces

The parties recognize that the rapid changes occurring in technology, automation and innovations are redefining work, business systems, processes, risk and, in many instances, how work is being done, and introducing new competitors into the market. These developments create opportunities that should be embraced and not feared. Looking forward, there is the opportunity for the parties to prepare their workforce and members for these future opportunities. In this regard, the parties agree to work toward building and ensuring the Kaiser Permanente workforce has the skills needed to lead and thrive as participants of the workforce of the future. By doing so, the parties seek to:

» minimize job loss
» ensure that the current and future workforce is prepared to provide high-quality, culturally competent, technically sound care and service
» ensure the use of technology and innovation serves as an adjunct to the human judgment and compassionate care to KP members
» ensure that Kaiser Permanente is looking forward at developments, projecting changes and defining the role of Kaiser Permanente employees and Coalition members in the evolving care system and workplace

The mandate of the Committee is to strategically plan, anticipate changes in work due to disruptions, and formulate plans to prepare and develop the Kaiser Permanente workforce for the future. The Committee will be charged with understanding competitive forces, communicating and developing solutions that seek to address the challenges, pressures and emerging trends that will affect the composition of the workforce in the future. The work of the Committee should include understanding the future implications of technology and competitive threats as they pertain to issues or functions related to Sections 2. and 3. above.

The Committee should begin meeting in early 2020 and shall issue no less than an annual report each year of this Agreement starting October 1, 2020. The expectation is that the reports of the Committee will be submitted to top-level leaders of Kaiser Permanente and the Coalition unions for their consideration.

Section 5. Dispute Resolution

Disputes arising under this Agreement shall be resolved under the 1.L.2 Partnership Review Process of the National Agreement.

Section 6. Duration

This Agreement shall expire at midnight September 15, 2023, and have no further force or effect thereafter, and the previous Exhibit 1.K.4. contained in the parties' 2015 National Agreement shall resume in effect. Upon its expiration, the Parties will review and assess the results of this Agreement for purposes of informing any further agreements they may wish to craft with regard to this subject.

Exhibit 1.L.2.

ISSUE RESOLUTION FORM

This Issue Resolution Form will be used in accordance with the Partnership Agreement Review Process under Section 1.L.2 of the National Agreement.

1. Describe the issue to be resolved
   a. State the issue:
   b. Relevant background:
   c. Who the issue affects:
   d. Length of time the issue has existed:
   e. Whether there is a broader issue/ concern/pattern:
   f. Whether this is a recurring issue across the Region (please identify other known instances):
   g. Consequences of issue if not resolved:
2. Describe efforts (if any) to resolve the issue *before* engaging in Issue Resolution/Interest-Based Problem Solving under the National Agreement
   a. When process(es) occurred:
   b. Persons involved:
   c. Process(es) used:
3. Describe the Issue Resolution or Interest-Based Problem Solving process used to attempt to resolve the issue
   a. Date the meeting occurred:
   b. Person(s) who facilitated the team:
   c. Persons who participated in IR/IBPS process:
   d. LMP Training Pathways (Issue Resolution/Interest-Based Problem Solving classes) received by participants:
   e. The agreed-upon problem statement:
   f. Common interests that were identified:
   g. Options that were identified:
   h. Possible solutions considered:
   i. Explain why the process broke down in your opinion:
4. Describe the desired outcome of this process:
   a. Local LMP Council Review Process
      › Summarize the issue, common interests and solutions considered at this step and explain why consensus could not be reached.
   b. Regional LMP Council Review Process
      › Summarize the issue, common interests and solutions considered at this step and explain why consensus could not be reached.

Note: This form shall be consistent across regions and may be modified only by mutual agreement of the parties at the national level.

Exhibit 2.A.2.

RELEVANT PERFORMANCE SHARING PROGRAM SECTIONS OF THE 2008 REOPENER

RECOMMENDATION #3:

Each region shall implement a demonstration project for 2009 and 2010 that translates PSP goals that cascade up and down the organization into line-of-sight efforts and actionable behaviors by frontline employees. These demonstrations shall apply to Year 4 and Year 5 as defined in Section 2.A.3. of the 2005 National Agreement. Each region shall demonstrate a comprehensive and disciplined approach that conveys a sense of urgency to meet the agreed-upon goals of the demonstration. The purpose of these demonstrations is to test the feasibility of new approaches to performance sharing that would be:

1. Based upon measures that are more closely linked to the day-to-day work of employees;
2. Better understood by employees as to what improving these measures means to the lives of our members/patients and keeping KP affordable for all working families, i.e., so that it is part of a visionary campaign that focuses efforts in a meaningful way;
3. Better communicated so it is easy for employees to understand what is being measured and what employees can do to improve that measurement;
4. Implemented with a sense of urgency and clarity as to what constitutes success, utilizing labor's experience with successful campaign methodologies in which frontline workers make a disciplined and focused effort to drive outcomes toward agreed-upon goals and deadlines;
5. More timely, with less of a lag between what is measured, employee actions to improve those measures, and any payouts made for meeting those measures;
6. Be as easy to administer as possible so that the improved approach is effective; and
7. Better celebrated and acknowledged when we meet our goals, reinforcing the linkage between effort and payout.

To meet this demonstration requirement, each region shall have the flexibility to utilize existing goals, initiatives or team structures that can best demonstrate the overall elements of an improved PSP, or utilize new goals and initiatives as necessary, and each region shall, in partnership:

A. Identify:

1. a key organizational performance improvement goal(s);
2. the key drivers to improve the goal(s);
3. the lives and/or dollars saved as a result of meeting the goal(s), providing a unifying and motivating focus for improvement and also means to track progress in a rigorous way;
4. the level closest to the frontline's natural work setting at which data can be provided and validated to measure success in meeting the

goal(s) and upon which payout will be based if the goal(s) is/are met; and

5. the most frequent means by which progress on the goal(s) can be tracked and provided to the employees working on the goal(s) at the smallest natural work unit possible.

B. Engage:

1. Frontline employees at the smallest possible natural work unit to identify, in partnership with their managers, what they can do to improve the metric at their work setting such that their efforts drive results at the metric level upon which performance payout will be based;
2. Participating employees in a continuum of knowledge about the business context in which KP operates, including understanding what's at stake for KP to be the model for high-quality, affordable health care for America's families; and
3. Frontline employees, through a campaign approach in which they own their role in meeting agreed-upon goals and deadlines, are disciplined in tracking progress and reporting back the status of meeting goals so all participating can understand their contribution to success.

C. Communicate:

1. The goal(s) is easy to understand terms as part of a campaign that moves not just metrics but the hearts and minds of employees working to meet that goal, building off of existing LMP communication efforts that reach and motivate the frontline;
2. The progress on meeting the goal(s) on a regular and ongoing basis to employees so the value and benefit or meeting the goal is reinforced;
3. And celebrate success in meeting the goals with an explicit link to the pay-out for efforts made to reach the goals;
4. The value of this reward and performance improvement program as part of broader efforts to define Kaiser Permanente as a best place to work for recruiting and retaining employees.

D. Payout:

1. Will be provided to employees based upon successfully meeting the goal at the level closest to the frontline's natural work environment that was identified when setting the goal for payout under this demonstration, provided other provisions are met and procedures followed in Section 2.A.3. of the 2005 National Agreement.

Attachment

ELEMENTS OF AN EFFECTIVE PERFORMANCE IMPROVEMENT REWARD PROGRAM

The 2008 Bargaining Subgroup on Performance found that an effective performance improvement reward program should meet these criteria, and charges the PSP Design Team with providing greater definition as to each element. In general, an effective reward program should be:

Based on a Compelling Case for Improvement

» Be based on engaging employees in a continuum of knowledge about the business context in which KP operates

» Be linked to a visionary and motivating reason to achieve the improvements; i.e., impact on improving members'/ patients' lives and keeping KP affordable to working families

Simple/Be Easy for All to Understand

Well Communicated

Goals Can be Cascaded "Up and Down"

» so all understand the role their efforts play in meeting regional/national goals

Based on Line-of-Sight Improvements

» Connected to the day-to-day work at the lowest possible (ideally unit) level

» Be linked to day-to-day behaviors that are in the power of the employees to affect

Based on Metrics That Are:

» tied to strategic goals and focused on the key drivers of results

» objective

» outcome based, or, if process measures, they should be linked to achieving outcomes

» captured and reported at the lowest possible (ideally unit) level

» as uniform across regions as possible so can compare and benchmark

Easy to Administer

Timely

» In terms of when the goals are set and communicated

» When progress is reported

» In how payouts are linked to efforts made by employees

Stable

» Don't change it mid-stream unless prove it can be made more effective

» Part of Overall Recruitment/ Retention Strategy

» As a reason we are a best place to work: employees engaged in performance improvement and rewarded for their efforts

Self-Funded

Exhibit 2.B.1.c.

LETTER OF AGREEMENT PARENT MEDICAL COVERAGE

In accordance with Section 2.B.1.c. of the 2000 National Agreement, effective May 1, 2002, Kaiser Permanente will offer federally non-qualified group medical coverage to parents of employees represented by a National Partnership Union.

In order for an employee's parents to qualify for this coverage, the employee must be an active employee and be eligible for medical benefits, whether or not he or she actually enrolls in Health Plan coverage.

Benefits included in Parent Medical coverage are:

» $5 doctor's office visits
» $5 prescription drug coverage
» Uncapped prescription drug benefit
» $5 hearing and vision exams
» No charge for inpatient hospital care
» No charge for lab tests and X-rays
» No charge for allergy testing and treatment
» $25 Emergency department co-payment
» No charge for approved ambulance services

Individuals who enroll in Parent Medical Coverage will be responsible for the entire amount of the premium for their coverage, as well as for any applicable co-payments and any Third Party Administrative fees. Kaiser Permanente will not subsidize any portion of the premiums.

INTENT PARENT MEDICAL COVERAGE

In accordance with the 2000 National Agreement, effective May 1, 2002, Kaiser Permanente will offer federally non-qualified group medical coverage to parents of employees represented by a National Partnership Union.

Eligibility

Eligible Employees
In order for an employee's parents to qualify for this coverage, the employee must be an active employee represented by a Kaiser Permanente National Partnership Union and be eligible for medical benefits, whether or not he or she actually enrolls in Health Plan coverage. An employee is also considered eligible if he or she retired from Kaiser Permanente as a member of a National Partnership Union between October 1, 2000, and March 1, 2002, in accordance with the provisions of his or her retirement plan.

Eligible Parents
The following are considered eligible parents and may enroll in Parent Medical Coverage as long as the employee through whom they claim coverage meets the eligibility requirements above:

» Employee's natural parents.
» Employee's stepparents, if still married to or widowed from employee's natural parent. Widowed stepparents who remarry will not be eligible for coverage.
» A domestic partner of employee's parent. The domestic partner will be required to complete an Affidavit of Domestic Partnership.
» Employee's spouse's or domestic partner's natural parents.
» Employee's spouse's or domestic partner's stepparents, if still married to or widowed from spouse's or domestic partner's natural parent. Widowed stepparents who remarry will not be eligible for coverage.
» A domestic partner of spouse's parent. The domestic partner will be required to complete an Affidavit of Domestic Partnership.

To be eligible, parents and parents-in-law must reside in the same region as the Partnership Union employee through whom coverage is being offered.

For the purposes of this plan, Northern California and Southern California will be considered separate regions.

Dependents of parents are not eligible for this coverage.

Enrollment in Parent Medical Coverage
Enrollment for Parent Medical Coverage will only be allowed only during designated enrollment periods:

There will be an annual open enrollment period.

» New employees will have 31 days from their date of hire to enroll their eligible parents. Coverage will be effective on the 1st of the month following enrollment.

» Employees who have a change in eligibility status (e.g., change from a non-benefited to a benefited status, or a marriage or divorce) will have 31 days to enroll or disenroll parents from coverage. Coverage will be effective on the 1st of the month following enrollment.

» Employees and their eligible parents are required to fill out and return all necessary forms and provide any requested documentation prior to enrollment.

» Each eligible parent must enroll separately. In addition, enrollees who are eligible for Medicare Parts A & B must submit a Senior Advantage enrollment form.

» Parents may enroll outside of the open enrollment period if they move into the region, or become newly eligible for Medicare, within 31 days of the qualifying event.

» Parents who disenroll from this coverage for any reason must wait until the next open enrollment period to re-enroll.

Coverage Premiums

» Coverage premiums are age-rated for all non-Medicare eligible parents. Premiums are subject to change annually.

» Age-rated premiums will be charged based on subscriber's age on the date of enrollment. After the initial enrollment, age-related premium increases for subsequent years will be determined based on subscriber's age as of January 1 of that year.

» Medicare-eligible enrollees in this plan will be pooled with other Medicare-eligible members in their region to determine premium rates.

» Individuals who enroll in Parent Medical Coverage will be responsible for the entire amount of the premium for their coverage, as well as for any applicable co-payments and any Third Party Administrative fees.

» Kaiser Permanente will not subsidize any portion of the premiums for this coverage.

» Premium payments for coverage are made directly through the Third Party Administrator of the plan, currently Conexis.

Coverage
Parent Medical Coverage is essentially the same in all regions in which Kaiser Foundation Health Plan medical services are available. However, there will be certain regional differences in how the

Health Plan is administered, including differences in some co-payments, exclusions and limitations. Benefits included in Parent Medical Coverage are:

» $5 doctor's office visits
» $5 prescription drug coverage
» Uncapped prescription drug benefit
» $5 hearing and vision exams
» No charge for inpatient hospital care
» No charge for lab tests and X-rays
» No charge for allergy testing and treatment
» $25 Emergency department co-payment
» No charge for approved ambulance services

There will be no exclusions for pre-existing conditions, and no medical review will be required.

Co-payments in the plan will be maintained at the current level to the extent that such co-payments are available in each region, as long as the plan maintains its "large group" status.

Medicare-eligible parents who are enrolled in Medicare Parts A and B and assign their benefits to Kaiser Permanente will be offered Senior Advantage or a similar Medicare Risk plan where available. In regions where there is no Medicare Risk plan, a Medicare Cost plan will be substituted. Parents who are enrolled in Medicare Part A only will receive the non-Medicare benefits, but may be eligible for reduced premiums.

In areas where Kaiser Permanente does not offer any Medicare plan, eligible parents may still enroll in the non-Medicare plan, and will pay the non-Medicare premiums, regardless of their participation in Medicare.

Coverage will be available in all regions in which Kaiser Foundation Health Plan medical services are offered and in which there are active National Partnership Union employees, including the Northern California and Southern California, Colorado and Mid-Atlantic States Regions. The Northwest Region will continue to offer its existing parent coverage plan, under the rules already established for that plan. National Partnership Union employees in Texas will not be eligible to enroll their parents in this plan, as there is no Kaiser Foundation Health Plan coverage available in that region.

When Parents Lose Coverage

Coverage will end at the end of the month in which:

» The employee through whom a parent claims benefits terminates prior to retirement, is no longer represented by a National Partnership Union, or is no longer eligible per the eligibility requirements above.
» The parent no longer meets the eligibility requirements as stated in the "Eligible Parents" section above.
» The employee and covered parent no longer reside in the same region. For the purposes of this plan, Northern California and Southern California are considered two separate regions.
» Premiums for medical coverage are not paid.

Parents who are disenrolled from Parent Medical Coverage will be offered conversion to an individual plan.

May 22, 2003
(Relevant section only)

SPONSORED PARENT/ PARENT-IN-LAW GROUP

Applicable to parents and parents-in-law of all classifications.

Effective 1-1-03, parents and parents-in-law of Regular employees will be offered the opportunity to purchase the enhanced Senior Advantage health plan coverage at their own expense provided they are enrolled in Parts A and B of Medicare and meet the eligibility rules of the Senior Advantage health plan. For those regions without a Sr. Advantage product, the Medicare product available in that Region will be offered.

The enrollment rules, eligibility and plan design (benefits and co-pays) will be consistent although not identical, (regional variation may apply) and will be reviewed by the Benefits Task Force (regional variation may apply). The Employer shall not be required to bargain over such changes. However, the Employer shall provide the unions with forty-five days' notice of the nature and date of such changes.

Participants enrolled prior to 1-1-03 will be grandfathered under their current eligibility rules.

In the Northwest, the parties will resolve the issue as follows:

1. No new non-Medicare eligible will be admitted.
2. Rates for grandfathered group will be raised by the same percent the market increases annually plus an additional 25 percent annually toward closing the gap to market, with intent to reach market rates at year four.
3. New enrollees will be charged market rates.

Exhibit 2.B.2.b.

LIST OF LMP DEFINED-BENEFIT PLANS SPONSORED BY KAISER PERMANENTE

Plan Name

» Kaiser Permanente Employees Pension Plan Supplement to the KPRP

» Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP

» Kaiser Permanente Northwest Pension Plan Supplement to KPRP

» Kaiser Permanente Colorado Pension Plan Supplement to KPRP

» Kaiser Permanente Mid-Atlantic Employees Pension Plan Supplement to KPRP

» Kaiser Permanente Represented Employees Pension Plan Supplement to KPRP

» Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP for SCPMG

» Kaiser Permanente Represented Employees Pension Plan Supplement to Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc.

» Kaiser Permanente Optometrists Retirement Plan

» Kaiser Permanente Hawaii Employees Pension Plan Supplement to KPRP

» Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc.

» Kaiser Permanente Washington Defined Benefit Plan Supplement to KPRP (for grandfathered employees)

ATTACHMENT TO LETTER OF AGREEMENT CONCERNING: 1.45 PERCENT MULTIPLIER

PLAN	UNION
HAWAII	
Kaiser Permanente Hawaii Employees Pension Plan Supplement to KPRP*	Office and Professional Employees International Union, Local 50, Hawaii Nurses Association, Registered Nurses Office and Professional Employees International Union, Local 50, Hawaii Nurses Association (Oahu Home Health Nurses)
MID-ATLANTIC STATES	
Kaiser Permanente Mid-Atlantic Employees Pension Plan Supplement to KPRP*	Office and Professional Employees International Union, Local 2, Clerical, Technical

* Effective 1/1/20
This provision will supersede any contrary local collective bargaining agreements

NOTE: The term "supplement" in this exhibit refers to the fact that individual retirement plans, for example Kaiser Permanente Retirement Plan (KPRP), are filed with the federal government for each corporate entity (Kaiser Foundation Health Plan, Southern California Permanente Medical Group, etc.). These retirement plans are comprised of separate pieces of a larger pie. The separate pieces are the *supplements* to the overall retirement plans we file with the government under ERISA.

1.45 PERCENT MULTIPLIER

PLAN	UNION
COLORADO	
Kaiser Permanente Colorado Pension Plan Supplement to KPRP	Service Employees International Union, Local 105
NORTHERN CALIFORNIA	
Kaiser Permanente Employees Pension Plan Supplement to the KPRP	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 29 Service Employees International Union, United Healthcare Workers – West, Medical Social Workers
Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc.	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 29, Office Clerical Service Employees International Union, United Healthcare Workers – West, Medical Social Workers International Federation of Professional and Technical Engineers, Engineers and Scientists of California, Local 20, Clinical Laboratory Scientists International Federation of Professional and Technical Engineers, Engineers and Scientists of California, Local 20, Genetic Counselors and Genetic Counselor Coordinators
NORTHWEST	
Kaiser Permanente Northwest Pension Plan Supplement to KPRP	Service Employees International Union, Local 49

1.45 PERCENT MULTIPLIER continued

PLAN	UNION
SOUTHERN CALIFORNIA	
Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 30 (California Service Center) Office and Professional Employees International Union, Local 30 Service Employees International Union, United Healthcare Workers – West, (Moreno Valley Community Hospital) Service Employees International Union, Local 121, Registered Nurses (Moreno Valley Community Hospital)
Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP for SCPMG	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 30
Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP for SCPMG (continued)	Service Employees International Union, United Healthcare Workers – West, (Moreno Valley Community Hospital) Service Employees International Union, Local 121, Registered Nurses (Moreno Valley Community Hospital)

1.5 PERCENT MULTIPLIER

PLAN	UNION
MULTIPLE REGIONS	
Kaiser Permanente Represented Employees Pension Plan Supplement to KPRP	Service Employees International Union, United Healthcare Workers – Desktop Support Workers
	NORTHERN CALIFORNIA Service Employees International Union, United Healthcare Workers – West, Registered Dietitians
	MID-ATLANTIC Office and Professional Employees International Union, Local 2, Optometrists and Pharmacists

1.5 PERCENT MULTIPLIER continued

PLAN	UNION
NORTHERN CALIFORNIA	
Kaiser Permanente Represented Employees Pension Plan Supplement to Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc.	Service Employees International Union, United Healthcare Workers – West, Registered Dietitians
Kaiser Permanente Optometrists Retirement Plan	International Federation of Professional and Technical Engineers, Engineers and Scientists of California, Local 20, Optometrists and Optometric Assistants

OTHER FORMULA

PLAN	UNION
WASHINGTON	
Kaiser Permanente Washington Defined Benefit Plan Supplement to KPRP*	SEIU Healthcare 1199NW, Service Unit SEIU Healthcare 1199NW, Physical and Occupational Therapists SEIU Healthcare 1199NW, Registered Nurses/Advanced Registered Nurse Practioners Social Workers Employee Association, Affiliated with SEIU Healthcare 1199NW Office and Proffesional Employees International Union, Local 8

* Grandfathered only for employees not covered by Section 2.B.2.a.

May 22, 2003
(Relevant section only)

PENSION

Effective March 1, 2003, for pension plans of employees covered by agreements of Partner unions that currently provide for a defined-benefit plan with a multiplier of 1.4 percent FAP, the FAP multiplier will increase to 1.45 percent. This multiplier will apply to all years of service. In addition, 1,800 hours will be considered a year of Credited Service under these plans for pension calculation purposes. This new Credited Service hours definition will be effective beginning with the 2003 calendar year.

In the Northwest, effective March 1, 2003, for OFN/ONA RNs, OFN-Hygienists and Technical employees who have a defined-contribution plan only, the improvement described above will apply prospectively only.

In the Northwest, effective March 1, 2003, the employer contribution to the defined-contribution plan will be changed as follows: 1 percent for OFN-Hygienists and Technical employees and 1.5 percent for OFN/ONA RNs. The employer contribution for Local 49 will be maintained.

In Northern California, effective March 1, 2003, Clinical Lab Scientists, Local 20 may move to KPEP as modified by the agreement with no recognition of past service, and the employer contribution to the 401(k) plan will cease.

It is understood that where pension plans are moving from a defined-contribution plan to a defined-benefit plan, such is subject to ratification of the bargaining unit.

LETTER OF AGREEMENT EARLY REDUCTION FACTORS

In accordance with the Common Retirement Plan provisions of the 2000 National Agreement (Section 2.B.2.b.), the undersigned constituted a Labor Management Partnership Committee to consider changes in the early reduction factors for the defined-benefit pension plans. After consideration, the committee agreed to change early reduction factors used in calculating pension benefits from an actuarial reduction based on age to a standard 5 percent reduction per year for National Agreement signatory unions.

The new early reduction factors are effective immediately, and will be retroactively applied to participants who take either Early Retirement or Disability Retirement on or after January 1, 2002. This agreement applies to all sponsoring employers of Kaiser Permanente pension plans covering members of Partnership unions listed in the attachment, Section A. Plans will be amended to reflect the new early reduction factors.

In addition, the Committee agrees that employees covered by the National Agreement who are reflected in the attachment, Section B, who as such are currently in a pension plan that provides early reduction factors equal to or higher than the new minimum, shall maintain their current early reduction factors.

Finally, the Committee agrees that pension benefits will be recalculated, and corrective payments made to National Partnership

Union members who have taken Early Retirement or Disability Retirement and have received a distribution from their Kaiser Permanente defined-benefit pension plan between the effective date of the change and the present.

ATTACHMENT TO LETTER OF AGREEMENT CONCERNING EARLY REDUCTION FACTORS

PLAN EARLY RETIREMENT FACTORS			
Age	5% Method	Age	5% Method
55	50	60	75
56	55	61	80
57	60	62	85
58	65	63	90
59	70	64	95

PLAN	UNION
NORTHERN CALIFORNIA	
Kaiser Permanente Employees Pension Plan Supplement to the KPRP	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 29 Service Employees International Union, United Healthcare Workers – West, Medical Social Workers
Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc.	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 29, Office Clerical Service Employees International Union, United Healthcare Workers – West, Medical Social Workers International Federation of Professional and Technical Engineers, Engineers and Scientists of California, Local 20, Clinical Laboratory Scientists International Federation of Professional and Technical Engineers, Engineers and Scientists of California, Local 20, Genetic Counselors and Genetic Counselor Coordinators
Kaiser Permanente Optometrists Retirement Plan	International Federation of Professional and Technical Engineers, Engineers and Scientists of California, Local 20, Optometrists and Optometric Assistants

ATTACHMENT TO LETTER OF AGREEMENT CONCERNING EARLY REDUCTION FACTORS continued

PLAN	UNION
NORTHWEST	
Kaiser Permanente Northwest Pension Plan Supplement to KPRP	Service Employees International Union, Local 49
SOUTHERN CALIFORNIA	
Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 30 (California Service Center) Office and Professional Employees International Union, Local 30 Service Employees International Union, United Healthcare Workers – West, (Moreno Valley Community Hospital) Service Employees International Union, Local 121, Registered Nurses (Moreno Valley Community Hospital)
SOUTHERN CALIFORNIA	
Kaiser Permanente Southern California Employees Pension Plan Supplement to KPRP for SCPMG	Service Employees International Union, United Healthcare Workers – West Office and Professional Employees International Union, Local 30 Service Employees International Union, United Healthcare Workers – West, (Moreno Valley Community Hospital) Service Employees International Union, Local 121, Registered Nurses (Moreno Valley Community Hospital)

ATTACHMENT TO LETTER OF AGREEMENT CONCERNING EARLY REDUCTION FACTORS continued

PLAN	UNION
COLORADO	
Kaiser Permanente Colorado Pension Plan Supplement to KPRP	Service Employees International Union, Local 105
MID-ATLANTIC STATES	
Kaiser Permanente Mid-Atlantic Employees Pension Plan Supplement to KPRP	Office and Professional Employees International Union, Local 2, Clerical, Technical

NOTE: The term "supplement" in this exhibit refers to the fact that individual retirement plans, for example Kaiser Permanente Retirement Plan (KPRP), are filed with the federal government for each corporate entity (Kaiser Foundation Health Plan, Southern California Permanente Medical Group, etc.). These retirement plans are comprised of separate pieces of a larger pie. The separate pieces are the *supplements* to the overall retirement plans we file with the government under ERISA.

ATTACHMENT TO LETTER OF AGREEMENT CONCERNING EARLY REDUCTION FACTORS continued

PLAN EARLY RETIREMENT FACTORS			
Age	3% and 5% Method	Age	3% and 5% Method
55	60	60	85
56	65	61	88
57	70	62	91
58	75	63	94
59	80	64	97

PLAN	UNION
MULTIPLE REGIONS	
Kaiser Permanente Represented Employees Pension Plan Supplement to KPRP	Service Employees International Union, United Healthcare Workers – Desktop Workers
	NORTHERN CALIFORNIA Service Employees International Union, United Healthcare Workers – West, Registered Dietitians
	MID-ATLANTIC Office and Professional Employees International Union, Local 2, Optometrists and Pharmacists
NORTHERN CALIFORNIA	
Kaiser Permanente Represented Employees Pension Plan Supplement to Kaiser Permanente Employees Pension Plan for The Permanente Medical Group, Inc.	Service Employees International Union, United Healthcare Workers – West, Registered Dietitians

ATTACHMENT TO LETTER OF AGREEMENT CONCERNING EARLY REDUCTION FACTORS continued

PLAN EARLY RETIREMENT FACTORS			
Age	6 % Method	Age	6% Method
55	42.39	60	63.82
56	45.88	61	69.57
57	49.73	62	75.96
58	53.96	63	83.09
59	58.64	64	91.06

PLAN	UNION
HAWAII	
Kaiser Permanente Hawaii Employees Pension Plan Supplement to KPRP	Office and Professional Employees International Union, Local 50, Hawaii Nurses Association, Registered Nurses Office and Professional Employees International Union, Local 50, Hawaii Nurses Association (Oahu Home Health Nurses)

Exhibit 2.B.2.h.

RETIREE MEDICAL BENEFITS – BASE ELIGIBILITY

LOCAL UNION/BARGAINING GROUP	BASE ELIGIBILITY PRM	BASE PRM BENEFIT
MULTIPLE REGIONS		
SEIU IT Desktop Support Workers	55 & 15 Eligible for active med on term date	KPSA Mid-level group plan w/ Supplemental Medical OR PPO plan
NORTHERN CALIFORNIA		
UHW Registered Dietitians	55 & 15 Eligible for active med on term date	KPSA High-level group plan w/ Supplemental Medical OR PPO plan
IFPTE Local 20 Clinical Lab Scientists, Genetic Counselors; OPEIU Local 29 Clerical, United Healthcare Workers-West (UHW) (Northern California)	55 & 15 or Disability & 15 YOS Eligible for active med on term date	KPSA group plan OR Alternate Medical

RETIREE MEDICAL BENEFITS – BASE ELIGIBILITY continued

LOCAL UNION/BARGAINING GROUP	BASE ELIGIBILITY PRM	BASE PRM BENEFIT
NORTHERN CALIFORNIA		
IFPTE L20 Optometrists **UHW Medical Social Workers**	55 & 15 or Disability & 15 YOS Eligible for active med on term date	KPSA group plan w/ Supplemental Medical
UHW Health Educators	55 & 15 or Disability & 15 YOS Eligible for active med on term date	KPSA Mid-level group plan OR Alternate Med
SOUTHERN CALIFORNIA		
OPEIU L30 Clerical & CSC	55 & 15 or Disability & 10 YOS	KPSA group plan
United Healthcare Workers-West (UHW) (Southern California); SEIU L121 RN & UHW Moreno Valley Community Hospital	55 & 15 or Disability & 10 YOS Eligible for active med on term date	KPSA group plan
COLORADO		
SEIU Local 105	55 & 15 or Disability & 10 YOS Eligible for active med on term date	KPSA Mid-level group plan w/ Supplemental Medical
HAWAII		
Hawaii Nurses Association (HNA) **Oahu Home Health Care (HNA)**	55 & 15 Eligible for active med on term date	KPSA group plan

RETIREE MEDICAL BENEFITS – BASE ELIGIBILITY continued

LOCAL UNION/ BARGAINING GROUP	BASE ELIGIBILITY PRM	BASE PRM BENEFIT
MID-ATLANTIC STATES		
OPEIU Local 2, Clerical, Technical	55 & 15 Eligible for active med on term date	KFHP Individual plan
OPEIU Local 2 Optometrists and Pharmacists	55 & 15 Eligible for active med on term date	KFHP Individual plan
NORTHWEST		
SEIU L49 Health Care Workers	55 & 15 or age & svc = 75 w/15 YOS or Disability & 15 YOS Enrolled in medical on term date	KPSA group plan

DEPENDENT ELIGIBILITY NOTE – All groups are "same as active" except:

- HNA RN and Oahu Home Health units – must be eligible on term date
- SEIU L49, must be enrolled dependent on term date – cannot add dependents after retirement
- OPEIU Local 2 Optometrists and Pharmacists – Same as active if retire on or after 10/1/2015

LOCAL UNION/ BARGAINING GROUP	HRA ELIGIBILITY PRM
WASHINGTON	
SEIU Healthcare 1199NW, Service Unit	55 & 15
SEIU Healthcare 1199NW, Physical and Occupational Therapists	
SEIU Healthcare 1199NW, Registered Nurses/Advanced Registered Nurse Practioners	
Social Workers Employee Association, Affiliated with SEIU Healthcare 1199NW	
Office and Proffesional Employees International Union, Local 8	

Exhibit 2.B.3.d.

GENERAL DESCRIPTION OF DISABILITY PLAN BENEFIT LEVELS

Section 26 – Income Protection/ Extended Income Protection

980 Employees scheduled to work twenty (20) or more hours per week will be provided with an Income Protection or Extended Income Protection Plan. The benefit amount will be equal to either fifty (50 percent) percent of base wages, sixty (60 percent) percent if integrated with a statutory plan (i.e., State Disability Insurance, Workers' Compensation, etc.), or seventy (70 percent) percent if the employee is on an approved rehabilitation program. If the employee is part-time, the benefits will be prorated according to the employee's scheduled hours. The minimum integrated benefit (prorated for part-time employees) provided by the program during the first (1st) year of disability will not be less than one-thousand ($1,000.00) dollars per month.

981 Section 27 – Eligibility for Income Protection or Extended Income Protection

982 Eligibility for Income Protection or Extended Income Protection is based on length of service.

983 Section 28 – Income Protection Benefit

984 This benefit is provided to employees with less than two (2) years of service. Employees will receive a benefit commencing at the latter of exhaustion of Sick Leave or according to SDI guidelines (i.e., the first (1st) day of hospitalization, eighth (8th) day of illness/injury), and will continue for up to one (1) year from the date of disability with continued medical certification.

985 Section 29 – Extended Income Protection Benefit

986 This benefit is provided to employees with two (2) or more years of service. Employees will receive a benefit commencing at the latter of exhaustion of Sick Leave or three (3) months from the date of disability, and will continue for up to five (5) years from the date of disability with continued medical certification. Benefits due to psychological-related disabilities and alcohol/drug abuse are limited to a maximum of three (3) years from the date of disability. The Duration of Benefits Schedule will apply to employees age sixty (60) or over who become disabled while eligible for this program.

Exhibit 2.B.3.e.

KPWA — TRANSITION TO PARTNERSHIP

Effective October 1, 2021, the Subcontracting and Joint Staffing and Planned Replacement provisions of the National Agreement shall apply to the Office and Professional Employees International Union (OPEIU) Local 8 and the Service Employees International Union (SEIU) 1199NW bargaining units.

Effective upon ratification of the National Agreement:

- SEIU will meet with KPWA within 90 days to discuss how the parties will apply the Employment Income and Security Agreement (EISA) locally.
- Before any application of EISA, KPWA and OPEIU will meet regarding proposed business decisions and their impact to members.

The Parties acknowledge and agree that KPWA, SEIU and OPEIU jointly reject the following provisions and agree to maintain local contract language and policies with respect to these issues:

- Total Health (Sections 1.H.1., 1.H.2.a.–d.)
- Flu Prevention (Section 1.I.2.)
- Options for Unused Annual Sick Leave (Section 1.C.3.c.)
- Time-off Benefit Enhancement, excluding HRA (Section 1.C.3.c.)
- Medical Benefits (Section 2.B.1.)
- Defined-Benefit Retirement Plan (Section 2.B.2.b.)
- Other Benefits (Section 2.B.3.a., c.–e.)
- Dental Benefit (Section 2.B.3.f.)
- Orthodontia (Section 2.B.3.f.)

Exhibit 3.A

RETIREE VOLUNTARY PENSION CHECK-OFF

1. The Employer agrees to set up a method for Kaiser Permanente retirees who were covered by a Union collective bargaining agreement to voluntarily request membership dues for the Union be deducted from the employee's monthly pension payments following proper distribution from the Employer's plan.
2. The deduction program will be created as soon as practicable, with a goal of making it available for use commencing in January 2020. The Employer shall not unreasonably delay the implementation of the deduction.
3. To commence such deductions, a retiree must submit a signed written form to be mutually agreed upon by the Employer and the Union, and acceptable to the recordkeeper and trustee for administration purposes.
4. The Union will hold the Employer harmless against any claim that may be made by any person by reason of the deductions described herein, including the cost of defending such claim. The Union will have no monetary claim against the Employer by reason of failure to perform under this provision.

Exhibit 3.B

KAISER FOUNDATION HEALTH PLAN/HOSPITALS AND PERMANENTE MEDICAL GROUPS ("KAISER PERMANENTE") AND THE COALITION OF KAISER PERMANENTE UNIONS ("COALITION")

The Parties agree to the following provisions with regard to the Performance-Based Across-the-Board Increases (ATBs) or Lump-Sum

Payouts per Section 2.A. of the National Agreement:

1. Operating margin will be measured from July 1 of the prior year through June 30 of the current year and will be calculated without any exclusions.
2. Operating margin will be based on reported earnings as prepared by Kaiser Foundation Health Plan/ Hospitals and reviewed by a third-party CPA firm.
3. The status for each region will be provided by Kaiser Foundation Health Plan/Hospitals to the Coalition quarterly to assess progress toward meeting the performance-based ATB goal under this Agreement.
4. Financial and proprietary information shared under this agreement will be kept strictly confidential and will be shared only with representatives of the Coalition and their local unions who have a need to see it in order to implement this agreement. All Coalition and union representatives will sign a nondisclosure agreement before seeing financial or proprietary information shared under this agreement.
5. Training will be provided by the region through programs designed by and coordinated between Kaiser Permanente and the Coalition to educate Coalition employees about the region's sustainability and the performance criteria of this agreement.

Exhibit 3.D

LOCAL UNION AGREEMENTS

International Union	Local Union	Group	Region	Bargaining Unit	Current Expiration Date	Extended Expiration Date
SEIU	SEIU L49	2	Northwest	Clerical/ Service	6/30/19	6/30/23
SEIU	UHW – West	2	Southern California	Moreno Valley	6/30/19	6/30/23
SEIU	L121 RN	2	Southern California	RN	6/30/19	6/30/23
OPEIU	OPEIU L30	2	Southern California	Clerical	7/1/19	7/1/23
OPEIU	OPEIU L2	2	Mid-Atlantic States	Professional	9/24/19	9/24/23
SEIU	SEIU L105	2	Colorado	Health Care Worker	9/30/19	9/30/23
SEIU	UHW – West	2	Northern California	MSW	9/30/19	9/30/23
SEIU	UHW – West	2	Northern California/ Southern California	Health Care Worker/IT Workers	9/30/19	9/30/23
IFPTE	IFPTE L20	2	Northern California	Genetic Counselor	9/30/19	9/30/23
SEIU	SEIUL1199	2	Washington	OT/PT	10/31/19	10/31/23
SEIU	L1199	2	Washington	RN/ANRP	10/31/19	10/31/23
SEIU	L1199	2	Washington	Service Unit	10/31/19	10/31/23
OPEIU	OPEIU L29	2	Northern California	Clerical/ Technical	11/3/19	11/3/23
OPEIU	OPEIU L50	2	Hawaii	RN	12/30/19	12/31/23
OPEIU	OPEIU L2	2	Mid-Atlantic States	Clerical/ Technical	12/15/19	12/15/23
IFPTE	IFPTE L20	2	Northern California	Clinical Lab Scientist	12/29/19	12/29/23
IFPTE	IFPTE L20	2	Northern California	Optometrist	12/29/19	12/29/23

LOCAL UNION AGREEMENTS continued

International Union	Local Union	Group	Region	Bargaining Unit	Current Expiration Date	Extended Expiration Date
OPEIU	OPEIU L8	3	Washington	Administrative/ Clerical	3/31/18	3/31/25
OPEIU	OPEIU L30	3	Southern California	California Service Center	10/1/21	10/1/25

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