

BARRY WINOGRAD  
Arbitrator and Mediator  
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IN FACTFINDING PROCEEDINGS PURSUANT TO  
THE CALIFORNIA GOVERNMENT CODE

In the Matter of a Controversy Between: )

NATIONAL UNION OF HEALTHCARE WORKERS )

and, )

SALINAS VALLEY MEMORIAL HEALTHCARE )  
SYSTEM )

[Re: Factfinding] )

) Arbitrator's  
) File No. 15-134-FF  
) (PERB No. SF-IM-152-M)

) FACTFINDING REPORT  
) AND RECOMMENDATIONS  
) (June 19, 2015)

Factfinding Panel: Barry Winograd, Neutral Chair; Ralph Cornejo, Kaiser Division Director, National Union of Healthcare Workers; Charlotte Wayman, Director, Patient Financial Services/Patient Registration, Salinas Valley Memorial Healthcare System.

Appearances: Kim Tavaglione, Labor Representative, for the National Union of Healthcare Workers; Michelle Childs, Senior Administrative Director-Human Resources, for the Salinas Valley Memorial Healthcare System.

## 1. Introduction

This factfinding proceeding arises out of a collective bargaining dispute between the National Union of Healthcare Workers and the Salinas Valley Memorial Healthcare System. The proceeding went forward under California Government Code, Sections 3505.4 and 3505.5, as administered by the California Public Employment Relations Board (Case No. SF-IM-152-M). A hearing was conducted on June 9, 2015 in Salinas, California, with the undersigned serving as the neutral chair of a factfinding panel. At the session, the parties were afforded an opportunity to present their respective positions and to introduce relevant documentary evidence. In addition, by agreement of the parties, the undersigned served as a mediator to assist in a resolution of several issues. Agreement was reached on some aspects of the dispute, but not on all. This Report provides recommendations on those matters that were not resolved.

The principal activity of the Salinas Valley Memorial Healthcare System, a California public health district, is operation of the Salinas Valley Memorial Hospital, with related medical clinics and offices. The Union is the exclusive representative of a unit of approximately 680 Hospital workers in non-nursing positions, including nutrition and environmental

services, nursing assistants, clerical, and other functions. Of the employees in the unit, the large majority are full-time and part-time employees who receive benefits. Approximately 120 unit employees are per diem staff who do not receive benefits. The current collective bargaining agreement expires July 31, 2015.

Several years ago the Hospital experienced significant financial problems under previous executive leadership. The financial problems are detailed in a report issued by the State Auditor in March 2012. The Hospital's finances have rebounded, and it now is a profitable organization. The Hospital has not advanced in bargaining any claim of an inability to pay in carrying out its activities and in staffing the facility.

In August 2014, prior to negotiations for a successor bargaining agreement, the Hospital introduced a broad restructuring proposal. Under Article 29.A of the labor agreement, the Hospital has reserved management prerogatives, including rights to classify and layoff employees, subject to other provisions of the agreement. According to the Hospital, the objective of its proposal was to provide improved operational efficiency for various departments within the Hospital. In this same period, a restructuring proposal also was transmitted to the

California Nurses Association as the representative for the Hospital's registered nurses.

After the Hospital introduced its restructuring proposal to the Union, the parties met for many hours of discussion later in 2014 and 2015 to consider the impact and effects of the proposal on terms and conditions of employment of unit employees. As the talks progressed, several agreements were reached. For example, the transcription unit dealing with medical notes was reduced in size to reflect developments in dictation technology increasingly used by doctors. Other changes were negotiated for nutrition services, inventory control, and nursing. One overall effect of the discussions was to substantially reduce the number of staff layoffs that management initially anticipated in August 2014.

During the factfinding proceeding, as a result of mediated discussion, additional agreements were reached by the parties; for example, converting one position (surgery attendants) to a per diem position for a brief period, and, for another position (LVN IIIs), protecting pay for some employees who will transition to a different classification. However, three issues remained unresolved after the mediation. Recommendations for each are provided in the balance of this Report.

## 2. Registration Float Clerk

Over three dozen employees work in the Registration Float Clerk position covering clerical functions in the emergency department and in the admitting office. The Hospital has decided to reduce the hours for the admitting office. Doing so requires a modification of the number of employees in the clerical role within and across the two locations within the Hospital. In part, this new approach also has been prompted by staffing difficulties due to the amount of time away from work for employees who are ill, on leaves, or otherwise absent. As a result, the FTE allocation for the position has not been fully utilized and overtime expense has increased.

On this issue, the *Recommendation* is the following:

- a. Four benefitted registration clerk positions should be converted to per diem status.
- b. Two benefitted registration clerk positions should be converted to .6 FTE status and added to the rebid schedule.
- c. The Hospital should staff registration float clerk positions based on a core schedule.
- d. The Hospital should post six per diem registration float clerk positions for hire.

f. The Hospital should eliminate the so-called "higher class" assignment in the classification and the accompanying pay differential.

3. Clerk Typist II - Patient Financial Services

A change is appropriate for this position because an automated phone answering system in patient financial services will largely eliminate the need for employee phone coverage. Some positions already have been cut. Although the Hospital maintains that there is no further need for this position, there may be requirements to cover for employee sick time, vacations, and leaves within patient financial services or to supplement other areas of work in the Hospital, if qualified to carry out duties or tasks. At this point it is not clear that a full or part-time position with benefits is needed.

The *Recommendation* on the clerk typist position is that one benefitted employee should be converted to per diem status.

4. Severance

The Hospital acknowledges that employees who lose their jobs, or opt to leave employment, due to staff restructuring

should receive some level of compensation recognizing their past service and current circumstances. The Hospital also urges that, in connection with previous restructuring discussions with the Union, the Hospital offered a separation incentive to employees interested in that opportunity. Several months ago, in response to the Hospital's offer, 15 bargaining unit employees exercised the separation option. Of these, 11 were employees who were affected by the restructuring proposal; four others opted for the incentive to voluntarily end their employment.

Given the Hospital's past separation offer, the Hospital maintains that any package for employees at this stage should not be as generous as the previous proposal because those now affected have been working for several months, and earning pay and benefits over that time. Still, a reasonable severance recommendation, even if not as favorable as the past offer, would cushion the impact for employees who will be separating from Hospital employment, voluntarily or otherwise, in positions and classifications at issue in this factfinding proceeding, including those subject to mediated agreement.

The *Recommendation* on the severance issue is as follows:

a. Severance payments should be provided to employees in the following order: two weeks of pay for employees up to 10

years of service; three weeks of pay for employees up to 15 years of service; four weeks of pay for employees up to 20 years of service; five weeks of pay for employees up to 25 years of service; six weeks of pay for employees up to 30 years of service; and, seven weeks of pay for employees over 30 years of service.

b. The Hospital should pay for COBRA health benefits for a limited period. Employees with single-employee coverage at the time of separation should receive one month of paid COBRA coverage. Employees with dependant coverage at the time of separation should receive two months of paid coverage.

c. Employees who exercise the severance pay option should be eligible for rehire twelve months after separation, unless the employee is invited by the Hospital to return at an earlier date.

d. The Hospital should pay up to \$500 for an employee to attend and complete within 12 months of separation a vocational training or skill development program that is offered by an accredited educational institution within Monterey County. Payment may be provided as reimbursement to an employee, or as direct payment to an institution, upon suitable documentation of completion.

e. Employees electing to maintain employment in per diem status are not eligible for the severance package.

Dated: June 19, 2015

  
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BARRY WINOGRAD  
Arbitrator/Neutral Chair

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RALPH CORNEJO,  
For NUHW  
(Concur, in part)  
(Dissent, in part)

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CHARLOTTE WAYMAN  
For SVMHS  
(Concur, in part)  
(Dissent, in part)