

SIDE LETTER OF AGREEMENT  
between  
BAY AREA HOSPITAL  
and  
OREGON NURSES ASSOCIATION

This Side Letter of Agreement is entered into between Bay Area Hospital (hereinafter referred to as the "Hospital") and Oregon Nurses Association (hereinafter referred to as the "Association"). This document is intended for the purpose of codifying the agreed-upon changes to the health, dental, vision and prescription drug plans offered by the Hospital.

The current medical, dental and vision insurance plans will remain in the Hospital self-insured UMR program and the benefit structure and cost of each plan will remain unchanged during calendar year 2018. The Hospital will make available for participation by bargaining unit employees new medical plans known as the Bay Area Hospital Self Insured Medical Plan ("BAHSIMP") effective January 1, 2019. Under the BAHSIMP, the Hospital will offer three medical plan options that bargaining unit employees may choose: (1) a Basic PPO-type plan; (2); a Premium PPO-style plan; and (3) a High-deductible plan with a Health Savings Account; as outlined in table 1 of this side letter. Dental and vision plans will be available for election under all three medical plans.

Nothing in this side letter is intended to modify the current retirement plan(s), short and long term disability, accidental death and dismemberment, term life and the existing retirement plans as outlined in the current labor agreement, or waive any rights or benefits provided by local, state or federal law.

Effective January 1, 2019, any nurse in the bargaining unit who is authorized to work seventy (70) hours or more per pay period (.875 FTE) shall be considered full-time for the purpose of insurance benefit eligibility; any nurse in the bargaining unit who is authorized to work forty (40) hours or more but less than seventy 70 hours per pay period (.5 FTE to .875 FTE) shall be considered part-time for the purpose of insurance benefit eligibility; and any nurse in the bargaining unit who is

authorized to work less than forty (40) hours per pay period (less than .5 FTE) shall not be eligible for Hospital-paid monthly premiums for medical, dental and vision benefits.

Effective January 1, 2019, the following provisions of the existing labor agreement will be deleted and have no further force and effect. Those provisions are:

- BAH Article 10 (ONA Article 9), Section 3
- BAH Article 10 (ONA Article 9), Section 4
- BAH Article 10 (ONA Article 9), Section 5
- BAH Article 10 (ONA Article 9), Section 6

As outlined in the following strike-through language below:

~~Section 3. 2016 Health Insurance Plans. The 2016 Hospital self-insured (UMR) medical, dental and vision plans together with the current monthly employee contribution rate for bargaining unit employees shall remain unchanged through December 31, 2016. For eligible bargaining unit employees who participate in the UMR plan, such employees will pay the following monthly amounts for such insurance:~~

Full time (70+)

	<u>Employee</u>	<u>Hospital</u>	<u>Total / COBRA</u>
Employee Only	\$144.00	\$727.00	\$871.00
Employee + Spouse	\$285.00	\$1,448.00	\$1,733.00
Employee + Child(ren)	\$278.00	\$1,413.00	\$1,691.00
Employee + Family	\$424.00	\$2,175.00	\$2,599.00

Full time (60 — 69.9 hrs)

	<u>Employee</u>	<u>Hospital</u>	<u>Total / COBRA</u>
Employee Only	\$161.00	\$710.00	\$871.00
Employee + Spouse	\$318.00	\$1,415.00	\$1,733.00
Employee + Child(ren)	\$310.00	\$1,381.00	\$1,691.00
Employee + Family	\$473.00	\$2,126.00	\$2,599.00

Part time (48 hrs — 59.9 hrs)

	<u>Employee</u>	<u>Hospital</u>	<u>Total / COBRA</u>
Employee Only	\$194.00	\$677.00	\$871.00

Employee + Spouse	\$384.00	\$1,349.00	\$1,733.00
Employee + Child(ren)	\$374.00	\$1,317.00	\$1,691.00
Employee + Family	\$572.00	\$2,027.00	\$2,599.00

Section 4. 2017 Health Insurance Plans. For 2017 eligible bargaining unit employees who participate in the UMR plan, such employees will pay the following monthly amounts for such insurance:

Full-time (70+)

	<u>Employee</u>	<u>Hospital</u>	<u>Total / COBRA</u>
Employee Only	\$154.00	\$778.00	\$932.00
Employee + Spouse	\$306.00	\$1,549.00	\$1,855.00
Employee + Child(ren)	\$298.00	\$1,511.00	\$1,809.00
Employee + Family	\$459.00	\$2,321.00	\$2,780.00

Part-time (48 hrs — 69 hrs)

	<u>Employee</u>	<u>Hospital</u>	<u>Total / COBRA</u>
Employee Only	\$186.00	\$746.00	\$932.00
Employee + Spouse	\$371.00	\$1,484.00	\$1,855.00
Employee + Child(ren)	\$362.00	\$1,447.00	\$1,809.00
Employee + Family	\$556.00	\$2,224.00	\$2,780.00

Section 5. 2018 Health Insurance Plans. For 2018 eligible bargaining unit employees who participate in the UMR plan, such employees will pay the following monthly amounts for such insurance:

Full-time (70+)

	<u>Employee</u>	<u>Hospital</u>	<u>Total / COBRA</u>
Employee Only	\$165.00	\$832.00	\$997.00
Employee + Spouse	\$328.00	\$1,657.00	\$1,985.00
Employee + Child(ren)	\$319.00	\$1,617.00	\$1,936.00
Employee + Family	\$491.00	\$2,484.00	\$2,975.00

Part-time (48 hrs — 69 hrs)

	<u>Employee</u>	<u>Hospital</u>	<u>Total / COBRA</u>
Employee Only	\$199.00	\$798.00	\$997.00
Employee + Spouse	\$397.00	\$1,588.00	\$1,985.00
Employee + Child(ren)	\$387.00	\$1,549.00	\$1,936.00
Employee + Family	\$595.00	\$2,380.00	\$2,975.00

Section 6. Changes to UMR Benefit Structure for Calendar Years 2017/2018.

The parties agree that the current projection from its plan administrator and consultants that the cost of the UMR plan will increase by seven percent (7%) in 2017 followed by an additional seven percent (7%) increase (of the 2017 costs) in 2018 is a reasonable estimate of expected costs of the UMR plan in 2017 and 2018.

a. — Based on this seven percent (7%) per year projection, the UMR total plan cost for 2017 (Hospital and employee) is projected to be four million eight hundred seventy-seven thousand eight hundred seven dollars (\$4,877,807.00).

b. — Based on this seven percent (7%) per year projection, the UMR total plan cost for 2018 (Hospital and employee) is projected to be five million two hundred nineteen thousand two hundred fifty-four dollars (\$5,219,254.00).

c. — No later than September 1, 2016, the Hospital will obtain a new projection for total UMR costs for calendar year 2017 and no later than September 1, 2017, the Hospital will receive a new projection for total UMR costs for calendar year 2018. These projections will be communicated to the Oregon Nurses Association representative, in writing, when received by the Hospital. If the projection for 2017 and/or 2018 health and welfare total UMR expenses exceeds the original seven percent (7%) projection described in paragraph 4(a) above, the parties will have forty five (45) calendar days to discuss and agree to any administrator and/or plan consultant recommendations for plan design changes to reduce the projected total UMR costs to the amounts described in Section 4(b) and (c) above. The parties shall make themselves promptly and readily available following the notice to the Union to discuss the recommended plan modifications and supporting data. If the parties have reached agreement on plan design changes within the forty five (45) calendar day period, such plan design changes shall be implemented and will be effective as of January 1, 2017. In the event the parties are unable to reach mutual agreement on plan design changes, the Hospital may implement any plan design changes necessary to reduce the total


~~projected UMR cost to the budgeted number described above in Section 4.~~

~~d. — If the costs are less than the seven percent (7%) for 2016 described above, the Hospital shall reduce the nurse portion of the monthly UMR insurance contributions in an amount equal to twenty percent (20%) of the total projected amount the UMR plan is expected to cost in 2017, "savings" to nurses under the formula described above will be allocated to the nurse's portion of the monthly premium over the twenty-four (24) pay periods in 2017.~~

~~e. — If the costs are less than the seven percent (7%) for 2017 described above, the Hospital shall reduce the nurse portion of the monthly UMR insurance contributions in an amount equal to twenty percent (20%) of the total projected amount the UMR plan is expected to cost in 2018, "savings" to nurses under the formula described above will be allocated to the nurse's portion of the monthly premium over the twenty-four (24) pay periods in 2018.~~

This Side Letter of Agreement amends the existing labor agreement between the parties which is effective from April 4, 2016 through December 31, 2018, is incorporated into and considered part of the existing labor agreement, and supersedes any inconsistent provisions in the parties' labor agreement.

BAY AREA HOSPITAL

By:   
Dated: 8-28-18

OREGON NURSES ASSOCIATION


By:   
Dated: 7/5/18

Table 1			
2019 Proposed Plan Attributes	HDHP	Premium Plan	Basic Plan
<b>Medical</b>			
<b>Eligibility</b>	20 Hours/Week; 1st of the Month Following DOH	20 Hours/Week; 1st of the Month Following DOH	20 Hours/Week; 1st of the Month Following DOH
<b>Deductible</b>	\$2,000 Individual \$4,000 Family (\$2,600)	\$250 Individual \$1,500 Family	\$500 Individual \$1,000 Family
<b>Individual Out of Pocket Maximum</b>	\$4,000 Individual \$8,000 Family	\$3,000 Individual \$6,000 Family	\$3,500 Individual \$7,000 Family
<b>HRA</b>	N/A	N/A	N/A
<b>HSA Monthly Employer Contribution</b>	\$2000/year	N/A	N/A
<b>Office Visit Copay</b>	N/A	\$15 Copay	\$20 Copay
<b>Coinsurance:</b>			
<b>at BAH</b>	10%	10% Inpatient / 20% Outpatient	10% Inpatient/ 20% Outpatient
<b>at Participating Provider</b>	20%	20%	20%
<b>at Non Participating Provider</b>	40%	30% / 40%	30% / 40%
<b>Emergency Room</b>	10% / 20% / 40%	\$150 copay, then 10% / 20% / 40%	\$150 copay, then 10% / 20% / 40%
<b>Wellness Premium Rebate</b>	\$500	\$500	\$500
<b>Pharmacy</b>			
<b>Generic</b>	20%	\$10	\$10
<b>Preferred Brand</b>	20%	\$35	\$35
<b>Non-Preferred Brand</b>	20%	\$50	\$50
<b>Preventive Drugs</b>	\$0	\$0	\$0

	Current Vision/Dental	Proposed Vision Changes
<b>Vision</b>		
<b>Exam</b>	\$20 Copay	\$20 Copay
<b>Frequency</b>	24 Months	12 Months
<b>Lenses &amp; Frames (Allowance)</b>	\$150	\$200
<b>Frequency</b>	24 Months	12 Months
<b>Dental</b>		
		<b>No Change</b>
<b>Deductible</b>	\$25	\$25
<b>Preventive</b>	0%	0%
<b>Basic</b>	20%	20%
<b>Major</b>	50%	50%
<b>Annual Maximum</b>	\$1,500	\$1,500
<b>Orthodontia</b>		
<b>Deductible</b>	\$0	\$0
<b>Coinsurance</b>	30%	30%
<b>Lifetime Maximum</b>	\$1,700	\$1,700

<i>Monthly Employee Contributions</i>		2019 - FT		
<b>Medical &amp; Rx</b>		<b>HDHP</b>	<b>PPO 1</b>	<b>PPO 2</b>
<b>Employee Only</b>		\$68.00	\$141.00	\$120.00
<b>Employee + Spouse</b>		\$135.00	\$282.00	\$240.00
<b>Employee + Child(ren)</b>		\$132.00	\$275.00	\$169.00
<b>Employee + Family</b>		\$202.00	\$422.00	\$358.00
<b>Dental</b>		<b>HDHP</b>	<b>PPO 1</b>	<b>PPO 2</b>
<b>Employee Only</b>		\$7.00	\$7.00	\$7.00
<b>Employee + Spouse</b>		\$12.00	\$12.00	\$12.00
<b>Employee + Child(ren)</b>		\$12.00	\$12.00	\$12.00
<b>Employee + Family</b>		\$19.00	\$19.00	\$19.00
<b>Vision</b>		<b>HDHP</b>	<b>PPO 1</b>	<b>PPO 2</b>
<b>Employee Only</b>		\$5.00	\$5.00	\$5.00
<b>Employee + Spouse</b>		\$6.00	\$6.00	\$6.00
<b>Employee + Child(ren)</b>		\$6.00	\$6.00	\$6.00
<b>Employee + Family</b>		\$10.00	\$10.00	\$10.00
<b>Total</b>		<b>HDHP</b>	<b>PPO 1</b>	<b>PPO 2</b>
<b>Employee Only</b>		\$80.00	\$153.00	\$132.00
<b>Employee + Spouse</b>		\$153.00	\$300.00	\$258.00
<b>Employee + Child(ren)</b>		\$150.00	\$293.00	\$187.00
<b>Employee + Family</b>		\$231.00	\$451.00	\$387.00
<b>Wellness</b>				
<b>Annual Wellness Premium Rebate</b>		\$500.00	\$500.00	\$500.00



Monthly Employee Contributions	2019 - PT		
	HDHP	PPO 1	PPO 2*
<b>Medical &amp; Rx</b>			
Employee Only	\$82.00	\$171.00	\$146.00
Employee + Spouse	\$164.00	\$342.00	\$290.00
Employee + Child(ren)	\$160.00	\$333.00	\$284.00
Employee + Family	\$246.00	\$512.00	\$435.00
<b>Dental</b>			
Employee Only	\$7.00	\$7.00	\$7.00
Employee + Spouse	\$12.00	\$12.00	\$12.00
Employee + Child(ren)	\$12.00	\$12.00	\$12.00
Employee + Family	\$19.00	\$19.00	\$19.00
<b>Vision</b>			
Employee Only	\$5.00	\$5.00	\$5.00
Employee + Spouse	\$6.00	\$6.00	\$6.00
Employee + Child(ren)	\$6.00	\$6.00	\$6.00
Employee + Family	\$10.00	\$10.00	\$10.00
<b>Total</b>			
Employee Only	\$94.00	\$183.00	\$158.00
Employee + Spouse	\$182.00	\$360.00	\$308.00
Employee + Child(ren)	\$178.00	\$351.00	\$302.00
Employee + Family	\$275.00	\$541.00	\$464.00
<b>Wellness</b>			
Annual Wellness Premium Rebate	\$500.00	\$500.00	\$500.00