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1/18/94 FF MS

In the Matter of Fact Finding
Between:

MERC No. L 92 A-0148

LENAWEE MEDICAL CARE FACILITY

-and-

SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL NO. 79

Lenawee Medical Care Facility

REPORT

and

RECOMMENDATIONS

Samuel S. Shaw, Fact Finder

Hearing

Adrian, Michigan

November 8, 1993

* * * * * * * * * * *

Appearances

For the Medical Facility

Thomas A. Basil

For the Union

Ina Weathers, Esq.

Henry Acevedo, Coordinator

In accordance with the Michigan Public Act No 176 of the Public Acts of 1939 as amended, and pursuant to a petition filed with Michigan's Employment Relations Commission, the undersigned was appointed fact-finder in the matter between the Lenawee Medical Care Facility (hereinafter referred to as the "Employer"), and the Service Employees International Union, Local 79 (hereinafter referred to as the "Union")

Facts and Background

The Lenawee Medical Care Facility is a 136 bed facility providing "nursing home" care, located in southeastern Michigan in the city of Adrian. The present facility was built in 1971, and its day-to-day operation is the responsibility of paid professionals, who in turn are responsible to a Board appointed by the County.

The subject Union represents a Bargaining Unit of "full-time and regular part-time non-office clerical employees, non-professional, non-technical, including practical nurses and maintenance employees", a Unit of approximately 112 employees.

The Parties' prior Collective Bargaining Agreement expired on May 23, 1992, but as neither negotiation nor mediation produced an acceptable agreement, on November 12, 1992 the Employer filed a request for fact finding with the Michigan Employment Relations Commission.

The fact finding Hearing was held at the Employer's facility in Adrien, Michigan on November 8, 1993. The Employer was represented by Thomas A. Basil, and the Union by Attorney Ena Weathers and Coordinator Henry Acevedo. Both Parties were provided with full and ample opportunity to introduce any relevant documentary evidence and arguments in support of their respective positions. Neither Party presented witnesses, and a recording of the proceedings by a court reporter was mutually waived. However, a tape recording was made by the Fact Finder, and by both Parties.

At the close of this oral hearing, both Parties elected to file post-hearing briefs, to be mailed to the Fact Finder, postmarked by December 6, 1993. As the Employer was granted an extension, all Briefs were received by December 15, 1993 and the Hearing closed as of that date.

The Issues

No formal submission statement of the issues was supplied; however, the positions of the Parities at the hearing and in their Briefs clearly indicated the primary problem consists of the following twenty-three issues:

Non-Economic

1. Definition of full-time, part-time, temporary, and casual employees at the Facility.
2. Union representative's requirements when visiting the Facility.
3. Definition of a grievance
4. Notice for arbitration
5. Rules governing arbitration
6. Removal of the word "excessive" in Article 5, Sec.1.
7. Definition of the word "day" in the Agreement.
8. Definition and length of the probationary period
9. Requirement that an employee cannot leave his/her duty station until relieved by his/her replacement.
10. Loss of senioriity
11. The impact on seniority of a voluntary transfer to work not in the Bargaining Unit.
12. Weekend Scheduling
13. The distribution of paychecks.
14. The addition of a "zipper clause."
15. Length of the Agreement.

Economic

16. Leaves of Absence

17. Combining sick days, vacation days, and personal days into a single benefit called Paid Days Off.

18. Funeral Leave changes.

19. Holiday pay for part-time employees and confirmation of illness to receive payment.

20. Payment for Jury Duty.

22. Health Insurance premium payments

23. Wages.

Also, the Union suggested that a "procedure to deal with attendance" be included in any new Agreement. However, although its comparables were cited as examples, no specifics with respect to a proposed procedure or recommended language were submitted.

Discussion and Recommendations

In problems of fact finding "comparables", although not determinative, are often used as support for a submitted recommendation. In this case, despite the fact comparables were cited by both Parties, they were unable to agree on what

constituted an acceptable comparable. Therefore, before they can be accepted as guidelines, the extent to which they may, or may not be representative, has to be determined.

A review of the "comparables" submitted by the Parties indicated they both contain elements that raise legitimate questions as to their suitability and criteria against which the issues in question can be compared.

The Union submitted four County owned and operated medical facilities. However, the Employer objected to their use, claiming that at least two, being located a substantial distance from Adrian, were not subject to local conditions and, therefore, not comparable.

As to the Employer's "comparables", the list submitted consisted of two local medical care facilities. The Union registered objection to this list, claiming that as they were both privately owned and operated, they were incompatable with the Lenawee facility which was publicly owned and operated.

It is acknowledged the objections advanced by both Parties warrant consideration,and should be taken into account when the issues are reviewed. However, irrespective of whether the represented facility is privately or publicly

owned, the information it provides as a "comparable" is not necessarily determinative it being recognized there are other factors having significantly greater weight that must be considered..In this case, inview of the extensive number of issues presented, a major factor is the position of the Parties, as reflected by their presentation and arguments.

A review of the Employer's general arguments supporting the non-economic issues suggests its overall objective is primarily to clarify a number of contractual provisions, so as to simplify their application and administration.

The argument supporting its economic proposals were obviously in opposition to any increase in operating costs. Arguments specifically relative to each proposal were provided by the Employer in its post-hearing brief.

The Union did not introduce specific counter arguments or proposals for each presented proposal, taking an overall position that the language in the prior Agreement had not been a problem; therefore, there was no justification for considering new language. In its post-hearing brief the Union referred to its submitted comparables as supportive of its position, that the present language was that normally used in the labor contracts of county medical care facilities.

NON-ECONOMIC ISSUES

No. 1. - The Definition of Regular Full-Time, Regular Part-time, Temporary, and Casual Employees

The Employer's first proposal submitted in Exhibit 3, requests a revision of the definitions for four job classifications; regular full-time, regular part-time, temporary, and casual, the first two of which appear in the Recognition clause of the prior Agreement.

First, with respect to the suggestion that a revision include a statement setting forth the Facility's right to determine the number of regular full-time and part-time employees, this right is currently properly provided in the Management Rights clause. Therefore, including it in the Recognition clause is not recommended, as it would only serve to add unnecessary verbiage.

As to the addition of a definition for temporary and casual employees, inasmuch as they are not included as members of the Union, it is hardly necessary to define them or their rights in a contract between the Employer and the Union. However, such an inclusion would not be uncommon, and although it would simply add non-relevant language, it would

2ot be totally unacceptable or unusual. Therefore, if it is believed such an inclusion would help clarify the status of these two non-recognized classifications, there should be no difficult in accepting this minor addition as a new Section to Article I.

No 2. Visits to the Facility By a Union Representative.

The major addition to this provision consists of a limitation on the right of a Representative to enter patient care areas unless accompanied by the Facility's Administrator. It was the Employer's contention this limitation was necessary "for control of the Facility and the well being and safety of both the patient and the Union Representative."

No support was provided for this requested proposal, and no evidence was introduced indicating the lack of such a limitation in prior contracts had created a problem. Moreover, a review of all the comparables submitted made it quite apparent that none of the Units found it necessary to impose this unusual a limitation.

Therefore, after reviewing the information available

it is recommended the Employer's proposal be accepted. However, for the reason discussed, and because it might be considered demeaning, it is recommended it not include a restricting condition for an area that an accredited Union Representative should be permitted to visit.

No 3. Definition of a Grievance

In this proposal, a matter of major importance to the Employer appeared to be language that would limit the filing of a grievance to a single forum. In other words, that an employee must decide whether to seek relief for a grievance through the collective bargaining grievance procedure, or by filing with another agency such as the courts. Under this proposal it would have to be one or the other - it could not be both.

As such a restriction would not limit an appeal of issues such as those covered in Title VII, a provision denying a grievant the right to take "two bites of the same apple" should not be considered unreasonable. Furthermore, as this restriction appears in many labor agreements, both in the private sector and the public sector, it cannot be considered either new or unusual.

Therefore, as the balance of the language in issue appears

to be acceptable, it is recommended that a limiting provision such as that discussed in the above be added in Article IV, probably Section 1.

No 4.and No. 5. Arbitration

Of this proposal, the first issue involves the "notice to arbitrate."

The prior Agreement provided a notice of intent had to be forwarded to the Employer by the Union within 30 days following receipt of the Step Three answer. A change, proposed by the Employer, requests a reduction in the time of notice from the current 30 days to 7 calendar days.

A seven calendar day period is an extremely short notice and hardly provides sufficient time for the Union to conduct a proper study and review the situation. Although I appreciate it would speed up the process, it could well result in the submission to arbitrate cases that were ill prepared, and had no justification for submission.

I personally believe, therefore, that despite the possible advantages, seven days is much too short a period. Thirty days

is the more generally used time span in the subject content, and as I see no real advantage in making the suggested change, it is my recommendation that the thirty-days remain without reduction.

The second part of this proposal is the "selection of the arbitrator." After some discussion, primarily with respect to the cost factor, it was suggested by the Union that the referral agency be the Federal Mediation and Conciliation Service.(FMCS) As this was agreed, further discussion is unnecessary.

The exact number of arbitrators' panel names to be requested from FMCS is immaterial; five, seven and nine have all appeared in various contracts. Generally the final selection is made by each party alternately striking a name from the list. The party to strike first is determined by the toss of a coin, and the last name remaining serves. The provision should contain a statement to the effect that: "The Hearing is to be conducted under the AAA Voluntary Arbitration Rules."

The Employer also suggested the provision include a requirement that "All communication with the Arbitrator will be jointly made." Although this is a requirement of AAA it is not one I would recommend. Most contacts involve issues such as the location and time of the hearing, whether

a court reporter is required, etc. Generally, contacts such as these are made by telephone and to comply with this request would require the exclusive use of conference calls with its attendant delay and arrangement problems. Written communications would have to be funneled through a central office which would also take additional time.

Experienced arbitrators studiously avoid individual contacts with anyone who may be, or was, involved in a hearing. Therefore, I do not recommend a provision be included in the Agreement requiring all communications between the arbitrator and the parties be jointly conducted.

It was also suggested that a provision be added to the Agreement requiring that an award be submitted no later than thirty days folllowing the closing of a hearing.

I can appreciate that the parties to a hearing are most anxious to hear the decision, and I am aware that a thirty-day award submission date is a requirment of AAA. Nevertheless, although I believe this short time limit can be met in many cases, there are also many instances where it can not. Several years ago this AAA ruling gave rise to some strong feelings between AAA and the NAA, a difference of opinion that has not as yet been completely resolved.

Therefore, inasmuch as the advantage of a short period would be of rather nebulous value, considering it could be responsible for a cursorily produced award, I recommended the sixty day standard required by FMCS be considered.

No.6. Deletion of the Word "Excessive" in Article V,

The Employer requested that "excessive absenteeism" and "excessive tardiness" be modified by deleting the word excessive in each case.

I cannot disagree with the Employer that the word excessive can be subject to several interpretations, and if this was the only consideration I would have no hesitation in accepting its deletion. However, its removal would not eliminate all future questions.

This provision previously confirmed Management's right to take disciplinary action for "excessive absenteeism and excessive tardiness." The removal of the word "excessive" still leaves the question as to what level of absence or tardiness has to exist to justify the use of discipline.

However, although absence and tardiness may have been a significant problem in many business, several have been able to reduce the problem to a manageable level by implementing a point system. Details were not provided, but such a system could have been the Union's thinking when suggesting an 'incentive" program.

In view of the minimal information provided, I would not presume to recommend a specific program for Lenawee. But as the details of various programs are readily available, after considering all factors it is recommended that in addition to deleting the word "excessive", a program should be implemented to not only eliminate future interpretive problems, but at the same time to reduce problems of absence and tardiness.

No, 7. Contractual Definition of a "Day"

The advantage in having standard definitions for key contract words cannot be over estimated. Therefore, as long as the contractual definition for "day" can be standardized as either a "working day" or a "calendar day", there is no reason why the Employer's request should not be accepted.

No.8. Length of Part-Time and Full-time Probationary Period

The prior contract provided for a probationary period of "90 calendar days" which, by mutual agreement, may be extended for an additional "60 days." The Employer's current proposal would change this time to 520 hours, which would be a 13-week probation period for full-time employees, and 26 weeks for twenty-hour per week part-timers.

There is no question the prior probationary period provision, which was based upon the same daily figure for both part-time and full-time, was partial. Moreover, it is obvious that a formula using hours would be more equitable.

In this case, the Employer proposed a probationary period of 520 hours for both a part-time and a full-time employee. For full-time employees, this would be approximately the same period as the former 90 calendar-day period However, it would double the probationary period for part-time employees.

Nevertheless, this increase will still put the probationary period below the average and, of even more importance, it would remove the inequity that now exists. Therefore, there is sufficent justification to accept this request.

No. 9. Article VI, Section 6 - (Overtime Provisions)

The Employer did not suggest any changes in the current Section 6 of Article VI, which covers several overtime situations, but did request the addition of a provision that would restrict an employee from leaving his/her work station at the end of the shift until actually relieved by his/her replacement. The Union agreed, but only if the matter involved an emergency.

It was the Employer's position this request was needed to comply with the State's staffing requirements, and should be included in the labor contract. This position is not questioned, inasmuch as a large proportion of the employees covered by that Contract are directly involved in patient care. However, it is difficult to reconcile this position with the need to apply it to all the represented classifications such as cooks and their helper, housekeepers, and maintenance and laundry personnel.

This is not to imply that one group is any less necessary than another, but it difficult to understand how any serious complications could arise in the Facility's operations because during a shift change, Housekeeping or the Laundry was short handed for a few minutes simply because a maid

or helper was late reporting for work.

To solve the State's requirements, a compromise in the proposal might be to limit it to "patient care personnel" with a list of the classification affected.

However, as a recommendation, it is suggested that instead of an addition to the labor Agreement, this requirement be incorporated as a part of the Facility's rules and regulations. If this is properly worded, after the reasoning is reviewed, it is more than likely the Union will not find any objections.

No 10. Loss of Seniority Due To Layoff

In this proposal the Employer requested an addition to Section 15 of Article VI that would provide for a loss of seniority, if laid off longer than the length of employment.

This is not an unusual definition of seniority loss, and is a stipulation often appearing in private and public sector labor contracts. Limiting language that is quite common reads: "Seniority will be lost if laid off for twelve consecutive months or the length of seniority, whichever is less."

Granted, there are occasional variations, but the vast majority provides for a period of time, "or seniority, whichever is less."

Therefore, as a review indicates the majority of State operated or licensed facilities provide for "twelve months or seniority, whichever is less", it is recommended this figure be applied in a new Lenawee labor Agreement.

No.11 This Proposal Involves the Accumulation of Seniority if Transferred Out of the Bargaining Unit.

The Employer proposed that an employee who voluntarily transfers to a non-Bargaining Unit position still within the Facility, shall no longer accumulate seniority. However, in the event the employee returns to the Bargaining Unit, seniority in the amount held at the time of the transfer will apply.

This is another provision limiting the scope of seniority. Rarely if ever, does a contract permit a union member to accumulate union seniority after leaving the union. However, it is not unusual to permit seniority to be "banked" and applied should the employee return to the union.

Considering that the subject proposal submitted by the Employer has been a settled principle, accepted by both labor and management for many years, and as no negative factors were presented to warrant it being revised, the proposal essentially as presented, should be included in any subsequent Agreement.

No.12. Weekend Scheduling (Article XI, Section 8)

The Employer proposed that Section be deleted from the Agreement. Section 8 provides that full-time employees are to be scheduled a minimum of every third weekend of duty except in cases of emergency. It also provides for a standing scheduling committee.

At the Hearing, the Parties were in general agreement to delete the provision relative to the committee, but the Union objected to the removal of the first sentence relative to the scheduling of at least every third weekend off.

The Employer's argument that future definition of the word "emergency" might raise problems, is not disputed. However, most labor contracts will more than likely contain

several words that, during the life of the contract, could be the subject of misinterpretation.

A regular schedule of at least every third weekend off duty is not an unreasonable request, particularly if the employee has a family. Moreover, except for the "unexpected", I can find no valid reason why a schedule cannot be implemented that, except in emergency situations, will provide full-time employees with every third weekend off.

Therefore, it is recommended that although the language relative to the standing committee would be deleted, the sentence discussed above should remain in the new Agreement.

No.13. Paycheck Distribution

The relevant language in the prior Agreement is very brief, and arguably could be considered incomplete. The new language proposed by the Employer provides several additions, presumably to improve the payroll procedure. Nothing was offered in evidence that would indicate any of the additions would prejudice or adversely impact the employees.

Therefore, considering the proposal as it would apply to the situation, and absent any negative arguments, this proposal in its entirety is recommended.

No.14 "Zipper Clause"

The prior Agreement contained a "zipper clause"; consequently this proposal constitutes a revision to be entered into a new Agreement. The Union did not oppose the general concept, but rejected the last sentence of the proposal in Company Exhibit 16. The proposal, in addition to the restrictions normal to a "zipper clause", also ruled out in its last sentence the recognition of all practices unless reduced to writing.

There is no question a well worded zipper or waiver clause will restrict the need to spend time around the bargaining table for the life of the Agreement. However, as stated by the NLRB "such waiver must be stated in clear and unmistakable terms, and will not be lightly inferred." Therefore, although this should not be taken as an endorsement of the proposal's language, it is a recommendation with respect to the general concept

and its inclusion of a zipper or waiver clause in a labor contract.

Nevertheless, I have some reservations with respect to including in the same provision the condition that no past practice will be recognized unless specifically a part of the Agreement. I understand the Employer's thinking that such a provision would provide for an easier transition in the event of a change in the Facility's administration. However, there are also some negative aspects. For example, an arbitrator could be barred from using past practice as a clue for determining the intent in an ambiguous matter, and more importantly, it might be used to ignore prior policies and programs.

Therefore, as noted earlier, I am in favor of a "zipper" or waiver clause and so recommend. But, after considering the present situtation and the multi-changes that are contemplated, I also recommend the provision relative to "past practices" not be included.

No.15 Length of Contract.

Historically, the Parties' Collective Bargaining Agreements were effective for three years, the prior

Agreement having expired on May 23, 1992. At the Hearing there was a very brief discussion relative to the length of Contract, but no strong opinions were voiced nor conclusions reached. In the Briefs, the Employer proposed three years from the date of ratification, and the Union May 23, 1995.

It is likely it will be spring or even early summer before this Agreement is finally settled and ratified. If so, an expiration date of May, 1995, or approximately a year later, might well require that negotiations on a new Agreement begin almost as soon as these ratifications had been completed. By any standard, such a short hiatus would be not only be most unreasonable, but a trial for all concerned.

It is recommended, therefore, the Parties enter into a three-year agreement, effective upon this ratification. A wage reopener can be included, if it is believed some of the economical issues should be subject to further consideration before the end of three year period.

It is a hope the Parties will give this recommendation serious thought, as a one year contract at this time would be nothing short of ridiculous.

ECONOMIC ISSUES

In addition to its arguments on behalf of individual economic issues, as support for its overall position on these matters, the Employer introduced the Facility's year end statements for 1990, 1991, and 1992. These statements indicated that for this period the Lenawee Medical Care Facility suffered a combined operating loss of approximately $500,000. The Employer claimed the Administration had been advised by the control board of the County that unless the operating costs were reduced, it was not impossible the Facility would have to be closed.

Although the Union did not offer any figures to contradict those submitted by the Employer, it did refer to its submitted comparables as supportive of its positions in the various individual issues.

No.16 Leaves of Absence

The Employer proposed that included in Article VIII, Section 1(c), should be the provision that during sick leave the Employer's obligation for the payment of the employee's

insurance premiums would be limited to three months.

. On this issue, it was the Union's position the language in the current Contract should stand, referencing its submitted comparables in support thereof.

As mentioned earlier, although the "comparables" cannot be characterized as determinative, they still provide important guidelines. A careful review of these comparables, as introduced by both the Union and the Employer, clearly indicated that with the exception of a leave comprised of earned sick days, the practice prevailing in this matter is a limit of three months.

Therefore, considering the current situation at Lenawee, and the general practice in the industry, it is recommended the Employer's proposal be accepted.

No.17. Proposal to Combine Sick Days, Vacation Days, and Personal Days, into Paid Days Off (PDO's)

I am not persuaded any major improvement will be realized by combining the three referenced day-off

categories under a single title. In fact, it could well be just the opposite. Each employee will undoubtedly receive a contractual entitlement to sick days, personal days, and vacation. Moreover, the amount will vary in each case. On the basis of the information provided, it appears most likely the Employer's proposal might simply add another element to the Facility's record keeping.

Consequently, although the proposal's merit cannot be denied, considering the present situation, including the number of issues still to be considered, it is recommended that the contractual provision for sick days, personal days, and vacation time, as it appears in the expired Agreement, remain unchanged.

No.18 Funeral Leave

The Employer proposed that Article VIII, Section 5 be modified by excluding as "immediate family" members grand-parents; grandchildren; spouse's father or mother; step father or mother; son, daughter,brother and sister-in-laws; and any person dependent and living with the employee. The death of any member of the above would limit the employee to one day paid funeral leave.

There is no question there were in Section 5 of Article VIII of the expired Agreement an extensive number of classifications in the "immediate family" category, and furthermore, although not to a major degree, they did exceed the average of operations that are in approximately the same industry as Lenawee.

Consequently, under the proposal it was suggested a death in the removed group, although no longer justifying a three-day leave, would still provide the affected employee with a one-day leave.

The general concept indicated in the Employer's proposal was, under the circumstances, understandable. Nevertheless, considering the guidelines supplied by the submitted comparables, although the proposed change in the "immediate family" definition is recommeded, the number of leave days for the "removed" group should be increased from one to two days.

No. 19 Paid Holidays

In this proposal the Employer requested that two major changes be made in Article XII, Holidays. The first involved

a requested change in the method of computing the regular part-time employees' holiday pay.

The specific reason for the particular formula advanced by the Employer was never clearly explained. Article I, Section 3(b) clearly defines regular part-time employees as employees who work in a job classification at least 20 hours per week, and who are scheduled to work at least 12 consecutive weeks of a calendar year. * * * *. In other words, they are "half-time" employees.

On that basis, inasmuch as full-time employee who meet the necessary requirements receive eight hours holiday pay, it would not be unreasonable to assume that regular half-time employee should receive four hours holiday pay.

It is appreciated such a provision did not appear in the expired Agreement; therefore, as the logical and equitable answer to this issue, and as it is recommended, to save any question should so appear in the Agreement.

The second proposal in this request is for the addition of a contractual requirement that for an employeee, absent on a holiday because of illness, to receive holiday pay, the illness must be verified by a doctor's statement.

I am not unmindful of the fact that both private and public business has wrestled with absence increases in and around holidays. Consequently, I cannot fault the justification for the Employer's proposal.

Considering the problems created by a scheduled employee's unexpected holiday absence, I therefore, must recommend a contractual addition that the absence must be verified by a doctor's statement, if the employee is to receive holiday pay.

No.20 Jury Duty Pay

A brief discussion at the Hearing resulted in acceptance by the Union of the Employer's basic proposal relative to jury duty. However, the Union did not accept the "10 day limit in any calendar year" that was also included. An Employer's extension of this limit to 30 days was still not acceptable to the Union.

Although the Employer's desire to reduce expenses to a minimum cannot be questioned, unfortunately the amount or length of jury duty is not entirely at the discretion of the individual. Therefore, it would not be equitable to impose

a penalty for something over which the employee had no control.

For the above reasoning, the 30-day limit as to the amount of jury duty in any one calendar year that would be covered, is not recommended.

No. 21 Call-In Pay

The last contract between the Parties contained a provision providing for a bonus of one and one-half hours pay if, without at least three hours advanced notice, an unscheduled employee was called in to work. This proposal by the Employer requested that this provision be deleted.

This provision amounts to a bonus for coming to work, and is most unusual and in my opinion, unjustified.

The usual contractual protection for an unexpected "call-in" is for four hours pay, or the time worked, whichever is greater. Although not stated this way, this provision appears in Section 4 of Article XI. Therefore, as this four hour call-in provision is fair and adequate, it is recommended that Section 18 of Article XVI be deleted.

No.22 Insurance

This Employer proposal requests that in a new Agreement, an increase in the insurance premium paid by the employee, be increased for a "single subscriber to $17.00, two persons $31.00 per month and full family $33.00".

An evaluation of the medical insurance coverage available in the various comparables might supply useful information for reviewing this request. However, as access to this information was not possible, the proposal will have to be considered on the basis of the information provided.

It cannot be denied that medical insurance costs have become a critical problem, not only for employers, but for employees as well. A review of the prior Agreement, which apparently became effective in mid-1989, provided in Article IX, Section 9(a) that the monthly employee contribution for medical insurance was: "Employee Only $10.00; Employee & Spouse $24.00; Family $26.00." The request in issue is for an increase of $7.00 per each category.

Considered the requested increase in percent, it amounts to a low of approximately 3% to a high of 7%, a very minimal increase when it is considered an increase spread

over a four year period.

The proposal also includes a request for an increase in the yearly deductable of $200 for single, and $400 for two and family.

It is understandable that the insured prefers small deductables, but there is no question that premiums increase dramatically as the deductable decreases. This is not only true with Blue Cross-Blue Shield, but a fact in the insurance industry as a whole. It is appreciated the requested increase would constitute a significant change in the previous deductable; however, it cannot be ignored that the requested level would be more in line with average in the industry. Therefore, in consideration of the economics, plus the practice of the other facilities, it is recommended the increase in the medical insurance deductables be accepted.

With repect to the insurance package as a whole, it is understood there will be no change in coverage or conditions during the life of the Agreement, and that any future increase in premium cost will be divided equally between the Employer and these insured. Therefore, for the above reasons, and under the conditions noted, it is recommended the Employer's insurance proposal package be accepted.

No. 23 Wages

On this issue the Employer proposed that as a twenty-five cents per hour increase was given to the Facility's employees as of January 1, 1993, no further wage increase would be required for '93, and negotiations limited to the wages for 1994.

The Union offered very little in the way of a counter proposal in this issue, but did submit a request for a bonus payment upon ratification of this Agreement, and a re-opener at yearly intervals if requested by either Party.

There was no disagreement with respect to the twenty-five cents per hour received by the employees effective January 1st, '93, although the Union claimed this was "pass-through" money, and therefore, should not be credited to the Facility. Nevertheless, I believe that irrespective of the money's source, as far as the employees are concerned, it still has to be recognized as a wage increase of approximately 4%.

In arguing that the Facility's wage level was relatively higher than those in the comparables, the Employer introduced comparative wages from several of the

active classifications.

After reviewing the figures in the submitted comparables I am not in complete agreement with the Employer's claims. I can accept that the Facility is not at the bottom of the list, but neither does it appear to be at the top.

Also, in consideration of the current situation, I find nothing that would justify $125-$250 as a bonus simply for ratifying a contract. However, neither is there anything that would justify a recommendation that any negotiation for a 1993 wage increase should be ruled out. Naturally, the twenty-five cents previously given should be deducted from any increase agreed upon.

Also, as mentioned earlier, an attempt should be made to negotiate the economic issues for the full term of the Agreement; however, if that cannot be reached, the possiblility of a wage re-opener should be explored.

Although there may be some arguable claims, there appears to be no question the Facility is in rather poor financial shape. As a closure would not benefit anyone, the cooperation of all concerned will be required if the Facility is to be continued as a successful operation, a fact that should guide

all subsequent negotiations.

In summary on wage issues, the elimination of any negotiation for 1994 wages is not recommended. However, any agreement reached should take into consideration the already paid twenty-five cent increase.

A signing bonus is not justified by the circumstances, and is not recommended.

In addition to the issues here-to-fore reviewed, the Union also suggested the deletion of Article XI, Section 3, (UX4), and the substitution of seven provisions, all relative to an overtime procedure.

However, according to the tape record taken at the Hearing, after some discussion, this matter was not pursued, primarily because the three paragraphs of Section 3 dealt with premium pay situations

The Union also suggested consideration of an incentive for reducing absenteeism. However, as no specifics were made available, it is impossible to contribute any constructive

comments, or offer any recommendations, either pro or con.

Samuel S. Shaw, Fact Finder
Grand Rapids, Michigan
January 18, 1994