

December 4, 2013

Dear Employees,

We have engaged in numerous negotiation sessions with the union in an effort to reach agreement on a new contract. To date, we have met 15 times and have made a variety of offers to the union in an effort to resolve our differences.

Last night, we made our last, best and final offer to the union. Our proposal includes the following on the important topic of job security:

1. A commitment that the Hospital will not transfer any acute care services currently performed by bargaining unit members to any other L+M entities.
2. A commitment that if a union member is laid off due to the transfer of a *non-acute* service from the Hospital to another L+M entity, the affected employee will be provided with the following options and support, in addition to those already in the contract:
  - a. Priority over any other employees to any vacant bargaining unit position within the Hospital, if qualified.
  - b. The opportunity to bump any less senior employee in the bargaining unit, if qualified.
  - c. Eligibility for training in a related position, if it is reasonably likely to result in a placement to that position within six months, and the employee is still working in the Hospital in some capacity during that time;
  - d. If for some reason the employee can't take advantage of those opportunities and is laid off, they will remain on a recall list for a period of two years and will have priority over any other employees for any vacant positions, if qualified;
  - e. Alternatively, employees can choose to receive up to six months' severance and benefit continuation in lieu of exercising any of the other offered opportunities
  - f. The same options for retraining and priority placement will apply if an employee, as the result of a transfer of non-acute care services, has their work schedule reduced by more than eight hours/week.

We believe our offer is very responsive to the concerns expressed by the union concerning job security. To our great disappointment, the union has once again rejected our offer regarding job security. We believe their latest refusal is a disservice to you and your coworkers. The union refuses to acknowledge the reality of changes occurring in health care markets nationwide. If L+M does not respond to those changes, our ability to deliver timely, quality care will disappear. If we allow that to happen, we will all lose - patients, staff and our community.

We are also disappointed that the union has refused to change its position on any other issues in these negotiations; in fact, they have refused to even discuss them. For this reason, the Hospital felt compelled to put its last, best, and final offer on the table.

**Our full proposal is available for your review at [lmfirsthand.org/negotiations](http://lmfirsthand.org/negotiations)**

We urge you to express your views of our proposal to your union and request that your voice be heard through a vote of union membership.

Sincerely,



Bruce D. Cummings, FACHE  
President and CEO

**From:** Cass, Gary  
**Sent:** Tuesday, December 03, 2013 9:44 PM  
**To:** 'Gregory Kotecki'  
**Subject:**

Greg - We are disappointed that the Union repeatedly refused to discuss any issues at today's negotiations except for work transfer. We are also sorry that the Union refused to accept the Hospital's proposal on work transfer, and it is clear that both sides have gone as far as they can on this subject. Because there was no change on the Union's part on work transfer or any of the remaining issues, the Hospital is transmitting its last, best and final offer. We urge the Union to present the offer to the bargaining unit employees for a vote.

Gary Cass, MBA  
Director Human Resources / Labor Relations  
Lawrence & Memorial Hospital  
Tel 860-442-0711, Ext 2647  
[gcass@lmhosp.org](mailto:gcass@lmhosp.org)

**LAWRENCE & MEMORIAL HOSPITAL**  
**LAST, BEST AND FINAL PACKAGE PROPOSAL FOR CHANGES IN**  
**LOCAL 5049 LAWRENCE & MEMORIAL REGISTERED PROFESSIONAL NURSES**  
**AND**  
**LOCAL 5051 LICENSED PRACTICAL NURSES/TECHNICAL EMPLOYEES**  
**2009—2013 COLLECTIVE BARGAINING AGREEMENTS**

**December 3, 2013**

**LANGUAGE CHANGES (Local 5049 in bold; *Local 5051 in bold italics*):**

1. **Article 10.6.a / Article 11.6.a** – “An employee will be allowed use of one (1) PTO day each year at the employee’s discretion.” ~~An employee will be allowed use of three (3) PTO days each year at the employee’s discretion, provided a minimum of sixteen (16) hours notice is given to the Hospital except in case of documented emergencies. Employees calling in absent will be required to use discretionary PTO if available. Unscheduled PTO need not be granted on weekends or holidays or to more than one employee per nursing unit per shift. Unscheduled PTO will be granted under these circumstances on a first come, first serve basis.~~
2. **Article 10.6b / Article 11.6.B** – ~~“In the event of a severe ice or snow storm, if an employee is unable to come to work, the employee shall have the right to designate such day as a discretionary PTO day or in the absence of discretionary PTO, the employee can use regular PTO, or may request no pay and be marked absent.”~~

## **ECONOMIC CHANGES:**

3. **Article 7.1.a / Article 8.1.A**—second and third sentences: “An employee whose established shift on a particular day is eight (8) hours or less shall be paid time and one-half (1 1/2) for all hours worked in excess of ~~eight (8)~~ nine (9) hours in the work day. An employee whose established shift on a particular day is greater than eight (8) hours shall be paid time and one-half (1 ½) for all hours worked in excess of his/her established shift hours plus one additional hour of work, except that all employees who, as of November 16, 1993 worked established shifts in excess of eight (8) hours, while continuing in the positions which they held on that date, shall be paid at the rate of time and one half (1 ½) their regular straight time rate for hours worked in excess of either (8) hours in the work day.”
4. **Article 14.1 / Article 15.1**—second sentence: “A full time employee shall accumulate sick time on the basis of one and one-half (1 ½) days per month beginning with the sixteenth (16<sup>th</sup>) year of employment, but only if the employee is already at least in her/his sixteenth (16<sup>th</sup>) year of employment as of the ratification date of the Agreement.”
5. **Article 14.2.a / Article 15.2.A**—“Sick time may be accumulated to a maximum of eight hundred (800) hours after which an employee shall collect ten (10) % of time accumulated over eight hundred (800) hours upon termination of employment based on the employee’s current hourly rate, up to a maximum of \$10,000. Employees who retire (and satisfy the definition of ‘retiree’ in the Hospital pension plan) shall receive twenty five (25) % of time accumulated over eight hundred (800) hours, up to a maximum of \$10,000.”

6. **Article 14.2.b / Article 15.2.b**—Employees who retire at age sixty-five (65) or older (and satisfy the definition of ‘retiree’ in the Hospital pension plan) shall receive thirty-five (35) % of sick time accumulated over seven hundred (700) hours, up to a maximum of \$10,000.
7. **Article 14.2.c / Article 15.2.c [new]** —“For those who have accumulated over 800 hours (pursuant to Article 14.2.a/15.2.A), or over 700 hours in accordance with Article 14.2.b/Article 15.2.b) and would have been entitled to an amount of cash-out greater than \$10,000 as of the date of ratification of this Agreement if they were to terminate as of that date, their actual cash-out upon termination will be the dollar value of their accumulated sick time as of the date of ratification. If after the Agreement’s ratification these employees should deplete their hours over 800 hours, or 700 hours, as the case may be, their cash-out will be recalculated upon termination to reflect the new cash-out value, not to exceed the original cash value.”
8. **Article 15.1b / Article 16.1b –**
- ~~Effective June 1, 1996~~ - Upon proof of satisfactory completion with a grade of C or better (or its equivalent) of a course or courses and of proof of amount expended for tuition, the Hospital will reimburse a full time employee for the cost of tuition at the rate of eighty percent (80%) of the amount expended, not to exceed the total of three thousand dollars (\$3,000) per calendar year. At the request of the employee, the hospital may advance its share of the tuition cost. The two thousand three hundred dollars (\$3,000) annual maximum will be pro-

rated for regular part time employees, calculated in accordance with the following formula:

9. **Article 16.1.a / Article 17.1.A** — “The nurses **[employees]** will be covered under the Hospital-wide health insurance program in effect for all Hospital employees. As of this date, that includes: Anthem Century Preferred PPO, Anthem Blue Care HMO, Healthnet HMO. Effective January 1, 2014 the nurses will be covered under the Hospital’s high-deductible health insurance program. The employees will contribute towards the individual or family premium in accordance with Appendix E. (attached) The parties agree that the premium share of part-time employees will be based on their average weekly hours paid (excluding any cash-out of PTO in the prior fiscal year.) The Hospital retains the right to change the insurance program and its co-pays, ~~or its sharing of the premiums~~ provided that any changes are uniform Hospital-wide and that the Union is notified and given a reasonable opportunity to meet and discuss any proposed changes prior to their implementation.”
10. **Article 16.1.b and Article 17.1.B** will be deleted.
11. The “opt-out” payments for employees who decline to participate in the health insurance program will cease.
12. **Article 16.4 / Article 17.4**—new last sentence: “Effective no later than ninety (90) days following ratification of the Agreement, the Defined Benefit Plan will be ‘frozen’. The benefits of employees for new retirees thereafter will be based on final earnings of three (3) years as of the date the Plan is frozen. Employees who participate in the Defined Benefit Plan may contribute to the Hospital’s

Defined Contribution Plan on the same terms and conditions as other bargaining unit employees.”

**RESPONSE TO UNION PROPOSALS:**

1. Wages – see below.
2. Article 29 / 30 - Work performed elsewhere within L+M – attached per proposal 12/3/13.
3. Tuition – increase reimbursement to \$3,000.
4. Pension – 5% contribution match for year one for employees affected by the pension freeze (transition year).
5. Floating – rotation on fair and rotating basis, unless employees volunteers.
6. Reduction In Force – per Hospital proposal
7. Term of Contract: Three (3) years expiring November 16, 2016
8. All remaining Union proposals rejected.

**Tentative Agreements as Agreed.**

**L+M Wage proposal:**

**RNs:**

Year 1 – Steps plus 1% - July 2014

Year 2 – Steps plus 1% - July 2015

Year 3 – Steps plus 1% - July 2016

**LPN/Techs:**

Year 1 – Steps frozen (an employee who have received a step increase between November 16, 2013 and the ratification date will revert to their prior step as of the ratification date) + July 2014 bonus; \$1,200 full time; \$700 part time

Year 2 – Steps frozen + July 2015 bonus; \$1,200 full time; \$700 part time

Year 3 – Steps resume after 6 months + 1% - July 2016

Three new steps on LPN/Tech wage scales for new hires at 11.4% below current scales.

Step	1	2	3	4	5	6	7	8	9	10	11	12	13	14			
Future Step				1	2	3	4	5	6	7	8	9	10	11	12	13	14
T – 004	15.88	16.48	17.11	17.75	18.42	19.15	19.86	20.62	21.4	22.21	23.06						
Future T-004				14.25	14.79	15.36	15.93	16.54	17.19	17.83	18.51	19.21	19.94	20.7			
T – 005	17.86	18.56	19.26	20	20.75	21.55	22.36	23.23	24.09	25.02	25.97						
Future T-005				16.03	16.66	17.29	17.95	18.63	19.34	20.07	20.85	21.62	22.46	23.31			
T – 006	17.71	18.36	19.07	19.8	20.56	21.32	22.15	22.98	23.86	24.78	25.7						
Future T-006				15.9	16.48	17.12	17.77	18.46	19.14	19.88	20.63	21.42	22.24	23.07			
T – 010	19.51	20.11	20.88	21.6	22.41	23.25	24.21	25.16	26.09	27.15	28.19	Cert	29.29				
Future T-010				17.51	18.05	18.74	19.39	20.12	20.87	21.73	22.59	23.42	24.37	25.31	Cert	26.29	
T – 015	20.11	20.88	21.62	22.35	23.21	24.05	25.05	26	27.01	28.11	29.17						
Future T-015				18.05	18.74	19.41	20.06	20.83	21.59	22.49	23.34	24.25	25.23	26.18			
T – 020	20.11	20.88	21.62	22.35	23.21	24.05	25.05	26	27.01	28.11	29.17						
Future T-020				18.05	18.74	19.41	20.06	20.83	21.59	22.49	23.34	24.25	25.23	26.18			
T – 025	20.76	21.57	22.35	23.03	23.79	24.71	25.67	26.66	27.7	28.82	29.95	Cert	31.09				
Future T-025				18.64	19.36	20.06	20.67	21.36	22.18	23.04	23.93	24.87	25.87	26.89	Cert	27.91	
T – 035	21.57	22.3	23.12	24.02	25.3	26.2	27.17	28.26	29.44	30.59	31.81	33.02					
Future T-035				19.36	20.02	20.75	21.56	22.71	23.52	24.39	25.37	26.43	27.46	28.55	29.64		
T – 045	21.57	22.3	23.12	24.02	25.3	26.2	27.17	28.26	29.44	30.59	31.81	33.02	Cert	34.25			
Future T-045				19.36	20.02	20.75	21.56	22.71	23.52	24.39	25.37	26.43	27.46	28.55	29.64	Cert	30.75
T – 049	22.24	23.08	23.95	24.85	25.83	26.81	27.8	28.83	29.97	31.11	32.25	Cert	33.47				
Future T-049				19.96	20.72	21.5	22.31	23.19	24.07	24.96	25.88	26.9	27.93	28.95	Cert	30.04	
T – 055	22.3	23.23	24.05	24.93	25.89	26.82	27.89	28.98	30.11	31.31	32.52	Cert	33.78	35.07			
Future T-055				20.02	20.85	21.59	22.38	23.24	24.08	25.04	26.01	27.03	28.11	29.19	Cert	30.32	31.48
T – 060	22.3	23.23	24.05	24.93	25.89	26.82	27.89	28.98	30.11	31.31	32.52	Cert	33.78	35.07			
Future T-060				20.02	20.85	21.59	22.38	23.24	24.08	25.04	26.01	27.03	28.11	29.19	Cert	30.32	31.48
T – 065	22.63	23.39	24.15	25.08	26.37	27.35	28.34	29.53	30.68	31.84	33.15	34.41					
Future T-065				20.31	21	21.68	22.51	23.67	24.55	25.44	26.51	27.54	28.58	29.76	30.89		
T – 070	22.63	23.39	24.15	25.08	26.37	27.35	28.34	29.53	30.68	31.84	33.15	34.41					
Future T-070				20.31	21	21.68	22.51	23.67	24.55	25.44	26.51	27.54	28.58	29.76	30.89		
T – 075	25.48	26.5	27.46	28.46	29.56	30.67	31.88	33.23	34.48	35.88	37.26	Cert	38.68				
Future T-075				22.87	23.79	24.65	25.55	26.54	27.53	28.62	29.83	30.95	32.21	33.45	Cert	34.72	
T – 080	25.5	26.47	27.51	28.5	29.59	30.72	31.89	33.12	34.38	35.68	37.03	Cert	38.42	39.9			
Future T-080				22.89	23.76	24.69	25.58	26.56	27.58	28.63	29.73	30.86	32.03	33.24	Cert	34.49	35.82
T – 085	24.05	25.03	25.92	26.9	27.92	28.94	30.09	31.34	32.55	33.9	35.18						
Future T-085				21.59	22.47	23.27	24.15	25.06	25.98	27.01	28.13	29.22	30.43	31.58			
T – 090	24.05	25.03	25.92	26.9	27.92	28.94	30.09	31.34	32.55	33.9	35.18						

Future T-090				21.59	22.47	23.27	24.15	25.06	25.98	27.01	28.13	29.22	30.43	31.58			
T – 095	24.05	25.03	25.92	26.9	27.92	28.94	30.09	31.34	32.55	33.9	35.18	Cert	36.52	37.9			
Future T-095				21.59	22.47	23.27	24.15	25.06	25.98	27.01	28.13	29.22	30.43	31.58	Cert	32.78	34.02
T – 097	25.83	26.81	27.78	28.83	29.97	31.11	32.25	33.47	34.73	36.07	37.45	38.88					
Future T-097				23.19	24.07	24.94	25.88	26.9	27.93	28.95	30.04	31.18	32.38	33.62	34.9		
T – 098	27.07	28.13	29.2	30.28	31.42	32.65	33.89	35.16	36.49	37.86	39.3	40.8					
Future T-098				24.3	25.25	26.21	27.18	28.2	29.31	30.42	31.56	32.76	33.99	35.28	36.62		
T – 100	31.65	32.84	34.02	35.34	36.74	38.13	39.67	41.18	42.86	44.48	46.17	Cert	47.92				
Future T-100				28.41	29.48	30.54	31.72	32.98	34.23	35.61	36.97	38.47	39.93	41.45	Cert	43.02	
T – 105	32.13	33.34	34.55	35.86	37.27	38.68	40.25	41.78	43.47	45.12	46.85	Cert	48.62				
Future T-105				28.84	29.93	31.01	32.19	33.46	34.72	36.13	37.5	39.02	40.5	42.06	Cert	43.64	
T – 110	27.56	28.69	29.79	30.81	32.03	33.3	34.55	35.94	37.3	38.83	40.28	Cert	41.82				
Future T-110				24.74	25.75	26.74	27.66	28.75	29.89	31.01	32.26	33.48	34.86	36.16	Cert	37.54	
T – 115	30.56	31.76	32.82	34.11	35.41	36.77	38.29	39.75	41.36	42.9	44.54	Cert	46.23				
Future T-115				27.43	28.51	29.46	30.62	31.79	33.01	34.37	35.68	37.13	38.51	39.98	Cert	41.5	
T – 120	32.81	34.05	35.33	36.7	38.1	39.56	41.07	42.62	44.23	45.92	47.66						
Future T-120				29.45	30.57	31.71	32.94	34.2	35.51	36.87	38.26	39.7	41.22	42.78			
T – 125	32.24	33.54	34.91	36.14	37.52	39	40.52	42.05	43.7	45.44	47.18	Cert	48.95				
Future T-125				28.94	30.11	31.34	32.44	33.68	35.01	36.37	37.75	39.23	40.79	42.35	Cert	43.94	
T – 130	33.12	34.43	35.65	36.98	38.44	39.94	41.48	43.1	44.81	46.52	48.28	Cert	50.1				
Future T-130				29.73	30.91	32	33.2	34.51	35.85	37.24	38.69	40.22	41.76	43.34	Cert	44.97	
T – 135	34.78	36.18	37.49	38.89	40.43	41.99	43.62	45.3	47.13	48.87	50.76	Cert	52.68				
Future T-135				31.22	32.48	33.65	34.91	36.29	37.69	39.16	40.66	42.31	43.87	45.57	Cert	47.29	
T – 140	29.89	31.1	32.3	33.44	34.71	36.1	37.51	38.94	40.44	42.05	43.67	Cert	45.34				
Future T-140				26.83	27.92	28.99	30.02	31.16	32.41	33.67	34.96	36.3	37.75	39.2	Cert	40.7	
T – 141	32.65	33.89	35.09	36.47	37.86	39.3	40.91	42.47	44.2	45.87	47.6	49.4					
Future T-141				29.31	30.42	31.5	32.74	33.99	35.28	36.72	38.12	39.68	41.18	42.73	44.34		
T – 145	33.17	34.5	35.71	37.08	38.52	39.99	41.57	43.15	44.88	46.6	48.36	Cert	50.2	52.09			
Future T-145				29.78	30.97	32.06	33.29	34.58	35.9	37.32	38.73	40.29	41.83	43.41	Cert	45.06	46.76
T – 170	26.5	27.57	28.55	29.6	30.73	31.91	33.15	34.56	35.85	37.31	38.76	Cert	40.22				
Future T-170				23.79	24.75	25.63	26.57	27.59	28.64	29.76	31.02	32.18	33.49	34.79	Cert	36.1	
T – 174	34.13	35.41	36.75	38.17	39.62	41.15	42.7	44.32	45.99	47.75	49.56						
Future T-174				30.64	31.79	32.99	34.26	35.57	36.94	38.33	39.78	41.28	42.86	44.49			

**Union Proposal Article 29 (RN) / Article 30 (LPN/Tech):**

1. “For the term of the Agreement only (through November 15, 2016) the Hospital shall not transfer to an entity or entities controlled by L+M Corporation acute care services currently performed by bargaining unit members.
2. “For the term of this Agreement only (through November 15, 2016) if the Hospital transfers non-acute care services to another entity or entities controlled by L+M Corporation with the result that bargaining unit employees are laid off, the Hospital will provide the following benefits to the affected employees, which the employee may select, in addition to or superseding, as the case may be, contractual procedures contained in the Agreement’s layoff provisions:
  - a. The employee(s) will have priority over any other employees to any vacant bargaining unit positions within the Hospital, if qualified;
  - b. The employee(s) may bump any less senior employee in the bargaining unit, if qualified;
  - c. The employee(s) will be eligible to training or retraining in a related bargaining unit position, if such training or retraining is reasonably likely to result in a placement to that position within six months, and the employee(s) continue to work in the Hospital in any position during that length of time;
  - d. If the employee(s) cannot assume a position pursuant to #a-c and are laid off, they will remain on a recall list for a period of two years and will have priority over any other employees to be recalled to any vacant bargaining unit positions within the Hospital, if qualified;
  - e. The employees may receive up to six months’ severance and benefit continuation in lieu of exercising any rights they have under #a-d;
  - f. Options #a-d will be available to an employee(s) if, as the result of a transfer of non-acute care services to another entity or entities controlled by L+M Corporation, their regular schedules are reduced by more than eight hours/weeks.”

## Appendix E

<b>Lumenos HDHP with Health Savings Account - RN</b>			
The hospital funds 50% of the annual deductible to an employee's health savings account (\$1000 for employee only and \$2000 for employee +1 or family coverage).			
<b>EE Only</b>	<b>2014</b>	<b>2015*</b>	<b>2016*</b>
<b>36-40</b>	8.0%	10.0%	12.0%
<b>20-35</b>	23.0%	25.0%	27.0%
<b>EE + 1</b>			
<b>36-40</b>	20.0%	22.0%	24.0%
<b>20-35</b>	32.0%	34.0%	36.0%
<b>Family</b>			
<b>36-40</b>	21.0%	23.0%	25.0%
<b>20-35</b>	38.0%	40.0%	42.0%

*\* Employees who do not complete a HRA will pay an additional 5% premium.*

<b>Century Preferred - PPO - RN</b>			
<b>EE Only</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>36-40</b>	15.00%	17.00%	19.00%
<b>32-35</b>	22.00%	24.00%	26.00%
<b>24-31</b>	26.00%	28.00%	30.00%
<b>20-23</b>	34.00%	36.00%	38.00%
<b>EE + 1</b>			
<b>36-40</b>	24.00%	26.00%	28.00%
<b>32-35</b>	31.00%	33.00%	35.00%
<b>24-31</b>	33.00%	35.00%	37.00%
<b>20-23</b>	37.00%	39.00%	41.00%
<b>Family</b>			
<b>36-40</b>	26.00%	28.00%	30.00%
<b>32-35</b>	37.00%	39.00%	41.00%
<b>24-31</b>	39.00%	41.00%	43.00%
<b>20-23</b>	44.00%	46.00%	48.00%

*Please note: The CP PPO plan will only be offered to those who are ineligible for a health savings account. As an example, those covered by Medicare or Tricare would be eligible to enroll in the PPO plan.*

Appendix E

<b>Lumenos HDHP with Health Savings Account - LPN/Tech</b>			
The hospital funds 50% of the annual deductible to an employee's health savings account (\$1000 for employee only and \$2000 for employee +1 or family coverage).			
<b>EE Only</b>	<b>2014</b>	<b>2015*</b>	<b>2016*</b>
<b>36-40</b>	8.0%	10.0%	12.0%
<b>20-35</b>	20.0%	22.0%	24.0%
<b>EE + 1</b>			
<b>36-40</b>	18.0%	20.0%	22.0%
<b>20-35</b>	30.0%	32.0%	34.0%
<b>Family</b>			
<b>36-40</b>	20.0%	22.0%	24.0%
<b>20-35</b>	35.0%	37.0%	39.0%

*\* Employees who do not complete a HRA will pay an additional 5% premium.*

<b>Century Preferred - PPO - LPN/Tech</b>			
<b>EE Only</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>36-40</b>	15.00%	17.00%	19.00%
<b>32-35</b>	22.00%	24.00%	26.00%
<b>24-31</b>	26.00%	28.00%	30.00%
<b>20-23</b>	34.00%	36.00%	38.00%
<b>EE + 1</b>			
<b>36-40</b>	24.00%	26.00%	28.00%
<b>32-35</b>	31.00%	33.00%	35.00%
<b>24-31</b>	33.00%	35.00%	37.00%
<b>20-23</b>	37.00%	39.00%	41.00%
<b>Family</b>			
<b>36-40</b>	26.00%	28.00%	30.00%
<b>32-35</b>	37.00%	39.00%	41.00%
<b>24-31</b>	39.00%	41.00%	43.00%
<b>20-23</b>	44.00%	46.00%	48.00%

*Please note: The CP PPO plan will only be offered to those who are ineligible for a health savings account. As an example, those covered by Medicare or Tricare would be eligible to enroll in the PPO plan.*