LETTER OF UNDERSTANDING

Between

SEIU Healthcare Minnesota ("SEIU" or "Union") and STILLWATER MEDICAL GROUP ("Employer")

Regarding COVID-19 AND STAFFING ADJUSTMENTS

APRIL 22, 2020

The parties enter into this Letter of Understanding ("LOU") to be made part of their Collective Bargaining Agreements ("CBA") in anticipation of staffing actions the Employer will need to take and that will impact SEIU members. The parties agree that the reduction in operations are necessary as a direct result of ongoing health concerns presented by the COVID-19 virus pandemic and Federal and State government orders. The parties agree that this LOU is a one-time, non-precedent setting agreement.

Agreement

1. The parties acknowledge that certain classifications and certain employees within covered classifications under the parties' CBA will be impacted more than others, based on a number of factors including the role of the classification in care delivery, the skills required for the classification, an individual employee’s skill set, and patient care needs as they evolve throughout the system. Options range from employees who are clearly necessary or critical for current care and for future surge needs, employees whose skills may still be needed, though in a reduced FTE (and who may need to be redeployed in their prior, non-reduced FTE in the event of a surge) and employees who, due to a reduction in patient volumes, may be appropriate for furlough now or in the future.

2. Employees who, during the period March 18 through March 24, 2020, were assigned Low Need Days and took the time as unpaid will receive payment for their scheduled hours during that period. Employees who, during the time period March 18 through March 24, 2020, were assigned Low Need Days and were paid by using available Paid Time Off (PTO) will have those hours restored.

3. As used throughout this LOU the term “temporary furlough” means a regularly scheduled bargaining unit employee is temporarily relieved from work without pay. A temporary furlough does not constitute either a layoff or the assignment of low need days under Article 7 or any other provision of the CBA. Prior to mandatory temporary furloughs the Employer will first seek volunteers by seniority (with such volunteers thereby avoiding the mandatory temporary furlough of another employee) and will then assign voluntary temporary furlough status taking into consideration seniority as well as needed employee skills, patient care needs, work schedules, FTE and other appropriate factors. It is understood and agreed that the Employer will be responsible for decisions regarding the number of voluntary temporary furloughs it can assign. If there are insufficient volunteers for temporary furlough status, mandatory temporary
Furloughs will be assigned taking into consideration seniority as well as needed employee skills, patient care needs, work schedules, FTE and other appropriate factors.

4. Employees on temporary furloughs are not working and have no compensated hours and, therefore, will not accrue vacation, sick hours or any other benefit based on compensated hours. Employees on temporary furlough will continue to accrue seniority.

5. The parties agree that it may be necessary to rebalance or otherwise change work schedules once it is determined who will be on temporary furlough. The Employer will first seek volunteers for any needed schedule changes, but it is understood that there may be an insufficient number of volunteers to ensure patient care. If there are more volunteers for a schedule change than needed, the Employer will give consideration to seniority as well as needed employee skills, patient care needs, FTE and work rotation, and other appropriate factors.

In the event of an insufficient number of volunteers, the Employer will take into account situations where a schedule change would cause a hardship for a particular employee before mandating a schedule change for that employee particularly on short notice. If it is necessary to mandate schedule changes, the Employer will give consideration to seniority as well as needed employee skills, patient care needs, FTE and work rotation, and other appropriate factors.

Notwithstanding anything in the collective bargaining agreement that might be interpreted otherwise, it is agreed that schedule changes consistent with this LOU which are needed to account for employees on temporary furlough shall not constitute a breach of the parties’ collective bargaining agreement or this LOU.

6. The parties will continue to communicate about updated policies within the organization as they are developed and distributed and about any changes or projected changes to the employment status of any SEIU bargaining unit employees. The union is not waiving any right it may have to negotiate over such changes by entering into this LOU.

7. The Parties agree that in the event of redeployment needed in the interests of patient care:

   o No employee will be redeployed to a site more than 30 miles from the employee’s home site without the employee’s consent and the Employer will reimburse mileage consistent with its current mileage reimbursement policy. In making deployments to sites outside of an employee’s home site but within the Stillwater Medical Group bargaining unit, the Employer will first ask for volunteers, by seniority by classification. If no or insufficient redeployment volunteers respond within two (2) hours, the Employer may implement the needed redeployment within the Stillwater Medical Group bargaining unit taking into consideration seniority as well as needed employee skills, patient care needs and other appropriate factors.
Every bargaining unit employee must agree to redeploy consistent with this LOU and with reasonable Employer requests. Regardless of any CBA provisions to the contrary, bargaining unit employees may be redeployed to work in other areas and sites and in other positions/classifications and to perform duties for which the employee is presently qualified or for which the employee can be trained to perform the duties safely within two weeks.

Employees volunteering to go outside of the Stillwater Medical Group bargaining unit to redeploy for COVID-19 related patient care reasons will continue to be covered by all provisions the contract. Should there be no or insufficient volunteers to redeploy outside of the Stillwater Medical Group bargaining unit and should the Employer determine that emergency care of COVID-19 patients requires the redeployment of bargaining unit employees outside of the Stillwater Medical Group bargaining unit, the Employer will provide the union with advance notice and an opportunity to discuss the effects of any such redeployment.

8. The Union waives all seniority provisions of the contract to the extent they may otherwise apply to reduction, furlough and reassignment/redeployment and any return to work process except as provided for in this LOU.

9. The Employer will continue to provide employee benefits previously elected by any bargaining unit employee who is placed on temporary furlough or whose hours are reduced due to lack of work (health, dental, life and long term disability insurance, consistent with Plan provisions) under the same terms and conditions as if they were actively employed, for the months of April and May 2020 and thereafter while the employee remains on temporary furlough status provided the employee complies with this LOU and reasonable Employer redeployment and return to work instructions consistent with this LOU. Temporary furlough status ends upon the employee being returned to work.

10. Any bargaining unit employee who is placed on temporary furlough status must return to work no later than two work days after being notified by the Employer that work is available, directing the employee to return to work. Failure to do so without good cause (examples include notice of illness or funeral leave) will be deemed a voluntary quit. Every furloughed employee is obligated to provide the Employer with the best method of contact for being notified of the need to return to work and to update such if it changes during the furlough and failure to do so will not excuse a subsequent failure to return to work. The Employer will maintain a record showing how and when an employee is provided notice of return to work. The union is not waiving the right to investigate and verify that all methods under this Para. 10 were followed.

11. Nothing in this LOU changes the Employer’s right under the CBA to address daily staffing needs by following existing practices in the contract including, but not limited to, temporary reductions in hours and low need. To the extent that there is an inconsistency between the terms of the CBA and the process set forth in this Agreement, the terms of this Agreement shall control and
prevail at it relates to implementing and administering the temporary furloughs contemplated by this Agreement.

12. The parties will comply with all rules, regulations and recommendations by local, state and federal agencies in the administration of this LOU. This Agreement will remain in effect through June 30, 2020 provided, however, that the Employer has the right to extend it through July 31, 2020 upon fourteen (14) days’ notice to the Union and it may be extended beyond July 31 by mutual agreement. The parties agree that regardless of the date on which the terms of this LOU end, the process by which employees will be returned from furlough, and the timing of such, will depend on multiple factors such as unpredictable patient volumes, patient care needs, and government and public health directives. The parties agree to meet at least 30 days prior to the termination of this LOU to discuss the process and timing of the return to work process for furloughed employees to ensure the most efficient and least disruptive way possible which may include deviation from existing CBA language and procedures.

13. The Union agrees to withdraw with prejudice all grievances and unfair labor practice charges filed to date regarding COVID-19, staffing and pay practices and changes, including but not limited to the following grievance:

- March 27, 2020 citing: Recognition, Low Need language, Schedule Changes, Extra Hours, and Redeployment due to COVID-19

and including but not limited to the following Unfair Labor Practice Charge:

- Case number 18-CA-258370 Stillwater Medical Group.

Signed by the Employer:  
__________________________  
Date:

Signed by the Union:  
__________________________  
Date: