WEDNESDAY, JANUARY 20, 2016 6:00 p.m.  Meeting  Palomar Medical Center, 2185 Citracado Parkway, Escondido, CA  Raymond Family Conference Center, 2nd Floor

PLEASE TURN OFF CELL PHONES OR SET THEM TO SILENT MODE UPON ENTERING THE MEETING ROOM

CALL TO ORDER.............................................................................................................................................. 6:00

➢ Public Comments2 ............................................................................................................................................... 6:00
➢ Information Item(s) .......................................................................................................................................... 1:07

1. * Approval: Minutes – Wednesday, November 18, 2015 (Pp 1-3)............................................................ 2 X 6:15
2. * Approval: 2016 Meeting Schedule, Brenda Turner, EVP Human Resources (Pp 4-5) ............................. 5 X 6:17
3. Information: Organizational Chart, Brenda Turner, EVP Human Resources (Pp 6-7) ................................. 5 X 6:22
5. Information: Benefit Update, Sherri Romo, Director, Benefits HRIS (Pp 12-21) ........................................... 20 X 6:32
6. * Approval: Cafeteria Plan Amendment, Sherri Romo, Director, Benefits HRIS (Pp 22-26) ......................... 10 X 6:52
7. Information: Legal Update, Brenda Turner, EVP Human Resources (Pp 27-44) .......................................... 20 X 7:02
➢ Public Comments2 ............................................................................................................................................... 7:22

ADJOURNMENT .................................................................................................................................................... 7:37

Human Resources Committee – Voting Members

<table>
<thead>
<tr>
<th>Human Resources Committee – Voting Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hans C. Sison, LVN, Director – Chair</td>
</tr>
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</table>

Human Resources Committee – Alternate Voting Members

<table>
<thead>
<tr>
<th>Human Resources Committee – Alternate Voting Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jerry Kaufman, PTMA, Director</td>
</tr>
</tbody>
</table>

Human Resources Committee – Non-Voting Members

<table>
<thead>
<tr>
<th>Human Resources Committee – Non-Voting Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bob Hemker, President &amp; CEO</td>
</tr>
<tr>
<td>Cheryl Olson, Interim VP PHDC &amp; POM</td>
</tr>
<tr>
<td>Beverly Albers, Committee Secretary</td>
</tr>
</tbody>
</table>

NOTE: If you have a disability, please notify us 72 hours prior to the event so that we may provide reasonable accommodations.

*Asterisks indicate anticipated action. Action is not limited to those designated items.

1 Maps with directions to the Palomar Medical Center and to the Raymond Family Conference Center are attached as Agenda Pp i-ii

2 5 minutes allowed per speaker with a cumulative total of 15 minutes per group. For further details & policy, see Request for Public Comment notices available in meeting room.
PAOMAR MEDICAL CENTER
2185 Citracado Parkway,
Escondido, California 92029

From Coastal San Diego:
Highway 5 north to Highway 78 east. Exit Nordale Road south to Citracado Parkway. Right on Citracado.

From Inland San Diego:
Highway 15 north to Highway 78 west. Exit Nordale Road south to Citracado Parkway. Right on Citracado.
<table>
<thead>
<tr>
<th><strong>Approval: Meeting Minutes</strong></th>
</tr>
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<tbody>
<tr>
<td><strong>TO:</strong> Human Resources Committee</td>
</tr>
<tr>
<td><strong>MEETING DATE:</strong> January 20, 2016</td>
</tr>
<tr>
<td><strong>FROM:</strong> Hans C. Sison, Chairperson</td>
</tr>
<tr>
<td><strong>BACKGROUND:</strong> The Secretary of the Human Resources Committee respectfully submits for approval Addendum A, Minutes of the Human Resources Committee meeting held November 18, 2015.</td>
</tr>
<tr>
<td><strong>BUDGET IMPACT:</strong> N/A</td>
</tr>
<tr>
<td><strong>STAFF RECOMMENDATION:</strong> N/A</td>
</tr>
<tr>
<td><strong>COMMITTEE QUESTIONS:</strong> N/A</td>
</tr>
<tr>
<td><strong>COMMITTEE RECOMMENDATION:</strong></td>
</tr>
<tr>
<td>Motion:</td>
</tr>
<tr>
<td>Individual Action: X</td>
</tr>
<tr>
<td>Information:</td>
</tr>
<tr>
<td>Required Time:</td>
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<td>AGENDA ITEM</td>
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<tr>
<td>CALL TO ORDER</td>
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<td>ATTENDANCE</td>
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<td>NOTICE OF MEETING</td>
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<td>OPENING PUBLIC</td>
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<tr>
<td>INFORMATION ITEMS</td>
</tr>
<tr>
<td>MINUTES</td>
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<td>Impact Plans</td>
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<tr>
<td>2016 Meeting Topics</td>
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<td>AGENDA ITEM</td>
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CLOSING PUBLIC COMMENTS (If any)  
Erik Olson-Fernandez commented on the Employee Pulse Surveys

MEMBER COMMENTS (If any)  
None noted.

FINAL ADJOURNMENT  
With no further business to come before the Committee, the meeting was adjourned at 6:50 p.m. by Linda Greer

SIGNATURES  
• Committee Chairperson  
Linda Greer  
• Committee Secretary  
Brenda Turner
**Information: 2016 Meeting Schedule**

**TO:** Human Resources Committee  
**MEETING DATE:** January 20, 2016  
**FROM:** Brenda Turner

**BACKGROUND:** Scheduling upcoming meetings for 2016 as suggested below, based on a repeating schedule utilizing the third Wednesday of every month.

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Includes dinner at 5:30pm</th>
</tr>
</thead>
<tbody>
<tr>
<td>February 17, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
<td></td>
</tr>
<tr>
<td>March 16, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
<td></td>
</tr>
<tr>
<td>April 20, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
<td></td>
</tr>
<tr>
<td>May 18, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
<td></td>
</tr>
<tr>
<td>June 15, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
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<tr>
<td>July 20, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
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<tr>
<td>August 17, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
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<tr>
<td>September 21, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
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<tr>
<td>October 19, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
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<tr>
<td>November 16, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
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<tr>
<td>December 21, 2016</td>
<td>6:00pm – 7:30pm</td>
<td>Palomar Medical Center, Escondido</td>
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</tbody>
</table>

*Meetings may be cancelled.*

**BUDGET IMPACT:** N/A

**STAFF RECOMMENDATION:** For approval.

**COMMITTEE QUESTIONS:** N/A

**COMMITTEE RECOMMENDATION:**

- **Motion:**    
- **Individual Action:**    
- **Information:**    
- **Required Time:**
Information: Organization Chart

TO: Human Resources Committee

MEETING DATE: January 20, 2016

FROM: Brenda Turner

BACKGROUND: An organization chart of the Human Resources Division is provided as information for the Committee members.

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: For information.

COMMITTEE QUESTIONS: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
TO: Human Resources Committee

MEETING DATE: January 20, 2016

FROM: Brenda Turner

BACKGROUND: The 2015 Year End Review is presented to the HR Committee as a summary of the presentations and actions of the Committee over the past year.

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: For information.

COMMITTEE QUESTIONS: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
The Board HR Committee had a productive year in 2015. The Committee approved revisions to several Board HR policies, including #26952, Board Responsibilities; #10586, Equal Employment Opportunity; #10743, Human Resources Performance Quality Management; and, the Palomar Health Bylaws section 6.2.3 pertaining to the Board HR Committee. In addition, the Committee heard presentations on a number of topics.

**Leadership Development**
Leadership Development is a strategic tool to develop culture and engagement, Leslie Solomon, Director of Organizational Development, explained that 70% of learning occurs while on the job, 20% of learning comes from peers, coaches and others, and 10% comes from formal classroom training. She provided information on Palomar Health’s current leadership development program, shared leadership turnover metrics and identified areas of focus for continuing to build our program.

**HR Metrics**
In February and October, the Committee reviewed HR metrics divided into four categories: Get Them, Keep Them, Grow Them, and Support Them. Metrics included key areas such as hiring, turnover, retention, educational hours and engagement.

**Pathmaker Overview**
Christi Perdomo, Manager of Career Development, shared the Pathmaker program. As of February 2015, the average age of a Palomar Health employee was 45. The Baby Boomer generation makes up 26% of the current workforce, and over the next 10-15 years, most will retire, taking with them their experience and knowledge. Over that same 10-15 years, current high school students will be entering the workforce. The goal of Pathmakers is to bring those students into the workforce as soon as possible, then grow and develop them to become tomorrow’s leaders. The average age of a Pathmaker intern is 21.7.

The program aims to unit all students under one common umbrella: setting a new course in healthcare. Competition to join Pathmakers is strong. A mini-interview style is used to assess an applicant’s communication, interpersonal and critical thinking skills, all of which are necessary for patient and colleague interaction, through performance based scenarios. On average only 54% of the applicants are selected each quarter.

**Paid Sick Leave**
The Healthy Workplace Healthy Family Act of 2014 (AB1522) became effective on July 1, 2015. California employees who work 30 or more days per year are entitled to paid sick leave at the minimum rate of one hour paid sick leave for every 30 hours worked. Accrual begins the first day of employment and is available after 90 days of employment and 30 hours worked. Employees may accrue up to 48 hours per year and use up to 24 hours per year. Paid Sick Leave does not have cash value like PTO and is not paid out at termination. Implementation plans for this new law were reviewed.

**Spiritual Care**
Palomar Health has paid chaplains and volunteer chaplains. In February 2015 there were 2,545 patient visits, of which 996 were from our 66 volunteer chaplains, for a total of 423 hours. Based on survey
feedback, the short-term goals of the program are to 1) continue movement toward electronic based task list and patient charting; 2) educate and training chaplains for effective patient charting; 3) training chaplains in collateral patient care disciplines; and 4) identify and implement strategies for staff spiritual care.

Employee and Physician Engagement
The results of the Press Ganey employee partnership survey were shared. A summary of the key findings showed that the overall mean score decreased 0.1 percentage points but the percentile ranking remained constant at the 50th percentile.

The key findings in the Physician Partnership Survey showed an overall participation increase of 10 percentage points. The overall score increased 1.9 mean points, and the percentile rank climbed 2 percentile points to the 20th percentile.

In the fall, Press Ganey announced a new survey tool, the Employee Voice. Palomar Health is moving to this new survey but is also implementing a new quarter “Pulse Check” survey that is smaller but representative of the larger survey. The new surveys and process were introduced to the Committee.

As a follow up to questions raised by the Committee, the team provided a presentation about the process for developing impact plans following an employee engagement survey. Impact plans are intended to create ongoing dialogue between staff and leaders while building trust and responding to needs. Through the impact planning process, engagement survey results are shared with staff and staff provides input to priorities and desired actions.

Benefits
A comparison of Palomar Health’s benefit package to other healthcare organizations in the San Diego market was presented. Trends for controlling costs were discussed. These include limiting spouse coverage or utilizing a spousal surcharge if the spouse has access to health care from his/her employer. Sixty-seven percent of health care organizations in San Diego believe they will have plans subject to the Cadillac tax. Cost reduction strategies include a narrow provider network incorporating value-based design and narrow prescription formularies.

Palomar Health’s long-term disability program benefits exceed the competitors in the market with higher monthly benefits. In addition, Palomar maintains the highest retirement contribution rate in San Diego.

Leave of Absence
Periodic reviews of leave of absence (LOA) volume are done to assess the needs and identify opportunities or improvement. Historical statistics reflected an upward trend in the total number of employees taking some form of leave.

Worker’s Compensation is a subset of the LOAs. Russ Riehl provided an overview of claims along with the frequency and severity of injuries. Total claim costs incurred in FY15 reflected a decrease of 26% from FY14.

Employee Medical Benefits
Three new benefit plan designs were proposed this year. The first was a modification or elimination of the Point of Service (POS) plan. This is the most expensive of the plans and has the potential of being
impacted by the Cadillac tax. Only 7% of benefit-eligible employees enrolled in the POS plan and 94% of all POS usage was in the HMO tier. This means that employees have been paying significantly more just to have the option of going out of network but are not exercising that option.

The second proposal was to add a high deductible health insurance plan with a health savings account (HSA). In addition to having no very low premiums, this year Palomar Health would contribute $500 for individual coverage or $1,000 for family coverage into the HSA.

The final proposal was to implement an employee and spouse waiver along with a potential spousal surcharge. Employees who have insurance from another source are eligible to receive a waiver credit providing cash in lieu of the benefit.

**IT Education Specialist**

An 8-member team of IT Education Specialists are responsible for the delivery of education specific to electronic health records (EHR) and other related technologies that support the delivery of patient care. This team works to 1) decrease hassle factors to improve ease of practice; 2) increase EHR utilization; and, 3) improve revenue through better documentation.

**Future Meeting Topics**

The Committee ended the last meeting of the 2015 with a list of additional topics for future meetings.
TO: Human Resources Committee

MEETING DATE: January 20, 2016

FROM: Sherri Romo

BACKGROUND: The annual benefits enrollment period was kicked off with the Benefits Fairs, November 2-5, at four campuses. Several vendors were in attendance to answer questions from our Palomar Health employees. The online system opened on Monday, November 2 and remained open through Monday, November 30, allowing employees ample time to research and consider their options. This year included additional emphasis on providing benefit education through one-on-one sessions, group meetings, online support, and enrollment resources and electronic informational documents. Key outcomes from this open enrollment include increased enrollment in the Medical HSA plan and reduced enrollment in the POS plan. Overall employee feedback was positive as many expressed their appreciation for providing the additional support and education.

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: For information only.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
Open Enrollment 2016 Results

Sherri Romo, Director of Benefits & HRIS
Open Enrollment

Healthy, Wealthy & Wise

Focus on Education

- Email Packet
- Benefit Fairs
- 1:1 Sessions
- Group Meetings
- Online Resources
- PowerPoint with Voice Over

Open Enrollment Window: November 2 - 30
Medical Plans

Provider: Sharp Health Plan

<table>
<thead>
<tr>
<th>Plan</th>
<th>Pre-OE Count</th>
<th>Post-OE Count</th>
<th>% Change</th>
<th>EE Only</th>
<th>EE+Spouse</th>
<th>EE+ Child(ren)</th>
<th>EE+ Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>HMO</td>
<td>2577</td>
<td>2758</td>
<td>Up 7%</td>
<td>$6,373</td>
<td>$15,296</td>
<td>$11,153</td>
<td>$19,438</td>
</tr>
<tr>
<td>POS</td>
<td>235</td>
<td>177</td>
<td>Down 25%</td>
<td>$9,512</td>
<td>$22,830</td>
<td>$16,647</td>
<td>$29,014</td>
</tr>
<tr>
<td>Medical HSA (NU)</td>
<td>20</td>
<td>101</td>
<td>Up 400%</td>
<td>$4,581</td>
<td>$10,995</td>
<td>$8,017</td>
<td>$13,973</td>
</tr>
<tr>
<td>Medical Waiver</td>
<td>452</td>
<td>485</td>
<td>Up 7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3284</td>
<td>3521</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

2016 Total Medical Premiums: **$40.4M**

2016 Annual Premiums By Plan and Coverage Level

Nov-Jan, benefit eligible employees increased 237 headcount

(New Hires, Transfers and Per Diem Conversions in support of ACA)
### Dental & Vision Plans

Dental Provider: Cigna  
Vision Provider: MES Vision

<table>
<thead>
<tr>
<th></th>
<th>Pre-OE Count</th>
<th>Post-OE Count</th>
<th>% Change</th>
<th>EE Only</th>
<th>EE+Spouse</th>
<th>EE+ Child(ren)</th>
<th>EE+ Family</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dental</strong></td>
<td>3043</td>
<td>3248</td>
<td>Up 6.5%</td>
<td>$524.52</td>
<td>$1,106.40</td>
<td>$1,264.68</td>
<td>$2,115.36</td>
</tr>
<tr>
<td><strong>Vision</strong></td>
<td>2947</td>
<td>3140</td>
<td>Up 6.5%</td>
<td>$57.60</td>
<td>$108.24</td>
<td>$101.40</td>
<td>$147.96</td>
</tr>
</tbody>
</table>

- 2016 Total Dental Premiums: $ 4.2 M
- 2016 Total Vision Premiums: $ 328 k

2016 Annual Premiums by Plan and Coverage Level
## Life Insurance

Provider: Cigna

<table>
<thead>
<tr>
<th></th>
<th>Pre-OE Count</th>
<th>Post-OE Count</th>
<th>% Change</th>
<th>Employer $</th>
<th>Employee $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Basic Life/AD&amp;D</td>
<td>3284</td>
<td>3521</td>
<td>Up 7.2%</td>
<td>213 k</td>
<td></td>
</tr>
<tr>
<td>Supplemental Life</td>
<td>1592</td>
<td>1657</td>
<td>Up 4%</td>
<td></td>
<td>1 M</td>
</tr>
<tr>
<td>Spouse Life</td>
<td>790</td>
<td>803</td>
<td>Up 1%</td>
<td>429 k</td>
<td></td>
</tr>
<tr>
<td>Child Life</td>
<td>1053</td>
<td>1138</td>
<td>Up 8%</td>
<td></td>
<td>40 k</td>
</tr>
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</table>

2016 Total **Life** Premiums: $1.69 M
## Disability (Short & Long-Term)

Provider: Cigna

<table>
<thead>
<tr>
<th></th>
<th>Pre-OE Count</th>
<th>Post-OE Count</th>
<th>% Change</th>
<th>Employer $</th>
<th>Employee $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic LTD 50%</td>
<td>2810</td>
<td>2965</td>
<td>Up 5.5%</td>
<td>$278 k</td>
<td></td>
</tr>
<tr>
<td>LTD 60% Buy-up</td>
<td>499</td>
<td>526</td>
<td>Up 5.5%</td>
<td>$ 63 k</td>
<td>$ 195 k</td>
</tr>
<tr>
<td>LTD 66 2/3% Buy-up</td>
<td>465</td>
<td>598</td>
<td>Up 28%</td>
<td>$120 k</td>
<td>$ 260 k</td>
</tr>
<tr>
<td>STD</td>
<td>1365</td>
<td>1415</td>
<td>Up 3.5%</td>
<td>$226 k</td>
<td>$226 k</td>
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</table>

2016 Total Disability Premiums: $ 1.1M
### Flexible Spending Accounts (FSA)

Plan Administrator: Tri-Ad

<table>
<thead>
<tr>
<th>Account</th>
<th>Pre-OE Count</th>
<th>Post-OE Count</th>
<th>% Change</th>
<th>IRS Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Care Spending Account</td>
<td>89</td>
<td>99</td>
<td>Up 11%</td>
<td>$5,000</td>
</tr>
<tr>
<td>Health Care Spending Account</td>
<td>790</td>
<td>970</td>
<td>Up 22.5%</td>
<td>$2,600</td>
</tr>
</tbody>
</table>
### Voluntary Benefits: MetLife

Plan Administrator: The Farmington Company

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Pre-OE Count</th>
<th>Post-OE Count</th>
<th>% Change</th>
<th>Employee Average Annual Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepaid Legal</td>
<td>756</td>
<td>809</td>
<td>Up 7%</td>
<td>$198</td>
</tr>
<tr>
<td>Home-Auto Insurance</td>
<td>63</td>
<td>66</td>
<td>Minimal Change</td>
<td>$1714</td>
</tr>
<tr>
<td>Pet Insurance</td>
<td>50</td>
<td>49</td>
<td>Minimal Change</td>
<td>$741</td>
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</table>
## Voluntary Benefits: Unum

Plan Administrator: The Farmington Company

<table>
<thead>
<tr>
<th>Plan Description</th>
<th>Pre-OE Count</th>
<th>Post-OE Count</th>
<th>% Change</th>
<th>Employee Average Annual Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Accident Insurance</td>
<td>170</td>
<td>281</td>
<td>Up 65%</td>
<td>$355</td>
</tr>
<tr>
<td>Group Hospital Indemnity Insurance</td>
<td>110</td>
<td>153</td>
<td>Up 39%</td>
<td>$702</td>
</tr>
<tr>
<td>Group Critical Illness</td>
<td>109</td>
<td>139</td>
<td>Up 27%</td>
<td>$696</td>
</tr>
<tr>
<td>Permanent Life Insurance with Long-Term Care Rider</td>
<td>29</td>
<td>66</td>
<td>Up 127%</td>
<td>$1484</td>
</tr>
</tbody>
</table>
Approval: Cafeteria Plan Amendment

TO: Human Resources Committee

MEETING DATE: January 20, 2016

FROM: Sherri Romo

BACKGROUND: Extend Special Enrollment Rights for Marketplace Coverage

The Affordable Care Act legislation requires an update to the Cafeteria Plan in order to be in compliance. This amendment allows a participant to revoke coverage under the group health plan for two reasons:

• A reduction in hours of service below an average of 30 per week
• Enrollment in a Qualified Health plan through the State or Federal Marketplace Exchange

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: Staff recommends approval of the amendment.

COMMITTEE QUESTIONS: N/A

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information:

Required Time:
ARTICLE I
PREAMBLE

1.1 Adoption and effective date of amendment. The Employer adopts this Amendment to Palomar Health Cafeteria Plan ("Plan") to reflect recent law and regulatory changes. The sponsor intends this Amendment as good faith compliance with the requirements of these changes. This Amendment shall be effective on or after the dates the Employer elects in Article II below.

1.2 Supersession of inconsistent provisions. This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

1.3 Construction. Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment, and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section or other numbering designations.

ARTICLE II
EFFECTIVE DATE

2.1 Effective date of amendment. The effective date of this amendment is January 1, 2016.

ARTICLE III
PROVISIONS

3.1 Change in Status.

A Participant may prospectively revoke coverage under the group health plan (that is not a health Flexible Spending Account) which provides minimum essential coverage (as defined in Code § 5000A(f)(1)) provided the following conditions are met:

Conditions for revocation due to reduction in hours of service:

(1) The Participant has been reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that the Participant will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result in the Participant ceasing to be eligible under the group health plan; and

(2) The revocation of coverage under the group health plan corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.
The Administrator may rely on the reasonable representation of the Participant who is reasonably expected to have an average of less than 30 hours of service per week for future periods that the Participant and related individuals have enrolled or intend to enroll in another plan that provides minimum essential coverage for new coverage that is effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

Conditions for revocation due to enrollment in a Qualified Health Plan:

(1) The Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace (federal or state exchange) pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or the Participant seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace’s annual open enrollment period; and

(2) The revocation of the election of coverage under the group health plan corresponds to the intended enrollment of the Participant and any related individuals who cease coverage due to the revocation in a Qualified Health Plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

The Administrator may rely on the reasonable representation of a Participant who has an enrollment opportunity for a Qualified Health Plan through a Marketplace that the Participant and related individuals have enrolled or intend to enroll in a Qualified Health Plan for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

This amendment has been executed this __________day of _____________________________, ________.

Name of Employer:       Palomar Health

By: ____________________________
EMPLOYER
CERTIFICATE OF ADOPTING RESOLUTION

The undersigned authorized representative of Palomar Health (the Employer) hereby certifies that the following resolutions were duly adopted by Employer as of the date indicated below, and that such resolutions have not been modified or rescinded as of the date hereof;

RESOLVED, that the Amendment to the Palomar Health Cafeteria Plan (the Amendment) is hereby approved and adopted, and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the amendment.

The undersigned further certifies that attached hereto is a copy of the Amendment approved and adopted in the foregoing resolution.

Date: _________________________________________

Signed: _______________________________________

______________________________________________
(Print Name / Title)
SUMMARY OF MATERIAL MODIFICATIONS
for the

Palomar Health Cafeteria Plan

I
INTRODUCTION

This is a Summary of Material Modifications regarding the Palomar Health Cafeteria Plan (“Plan”). This is merely a summary of the most important changes to the Plan and information contained in the Summary Plan Description (“SPD”) previously provided to you. It supplements and amends that SPD so you should retain a copy of this document with your copy of the SPD. If you have any questions, contact the Administrator. If there is any discrepancy between the terms of the Plan, as modified, and this Summary of Material Modifications, the provisions of the Plan will control.

II
SUMMARY OF CHANGES

1. Change in Elections

Effective January 1, 2016, you may revoke your coverage under the employer's group health plan outside of our open enrollment period, if your employment status changes from working at least 30 hours per week to less than 30 hours. This is regardless of whether the reduction in hours has resulted in loss of eligibility. You must show intent to enroll in another health plan.

You may also revoke your coverage under our Employer sponsored group health plan if you are eligible to obtain coverage through the health exchanges.
Information: Legal Update 2016

TO: Human Resources Committee

MEETING DATE: January 20, 2016

FROM: Brenda Turner

BACKGROUND: Presentation of new and revised laws that impact Palomar Health for 2016, including Kin Care/Child Care, the Affordable Care Act, and Violence in the Workplace.

BUDGET IMPACT: N/A

STAFF RECOMMENDATION: For information only.

COMMITTEE QUESTIONS:

COMMITTEE RECOMMENDATION:

Motion:

Individual Action:

Information: X

Required Time:
2016 Legal Update

January 20, 2016

HR Committee
SB 579: Kin Care/Child Care Activities

• California Kin Care law was updated to be consistent with Paid Sick Leave, now covering grandparents and siblings. Also covers time off for the treatment of an illness.

• Time off to find child care/school enrollment and for school emergencies is now protected.
Meal Period Waivers

• SB 327 provides that healthcare workers can waive the second meal period for 12 hour shift workers.
  – Palomar Health was already exempt from the second meal period requirement, but this does impact our travelers.
Gender Pay Equality

• SB 358: Prohibits an employer from paying employees of the opposite gender different wages for substantially similar work, when viewed as a composite of skill, effort, and responsibility, and which are performed under similar working conditions.
Gender Pay Equality Con’t

• Any wage difference must be based upon one or more of the following factors:
  – A seniority system
  – A merit system
  – A system that measures earnings by quantity or quality.
  – A bona fide factor other than sex, such as education, training or experience.
Retaliation

• AB 1509: expands anti-retaliation laws to prohibit retaliation against an employee because the employee is a family member of a person who has, or is perceived to have, engaged in protected activity.
Exempt Status

• U.S Department of Labor has proposed changes to overtime exemptions.
• Major change is increasing the minimum salary to $50,440 per year.
• Unclear when final regulations will be published.
California Minimum Wage

• Effective January 1, 2016 minimum wage is $10.00 per hour.
Affordable Care Act Update

• As part of the Consolidated Appropriations Act, 2016, Congress passed changes to the ACA.
  
  – Excise Tax (Cadillac Tax)
    • The implementation of this tax is being delayed from 2018 to 2020. This tax will also now be tax deductible.
    • The triggering amounts for the tax are indexed, so the thresholds will be higher in 2020.
SB 1299  Violence in the Workplace

• Requires Acute Care hospitals to develop workplace prevention plan.
  – Must include outpatient and clinics under hospital's license.
  – System to assess and improve, including staffing patterns, security systems, job design, equipment and facilities.
  – Requires training for all health care workers who provide direct patient care, including for interactive questions with person knowledgeable
  – Temporary personnel must also be oriented to plan.
  – Record Keeping and Reporting Requirements
  – Plan must be developed with staff and union input.
  – CAL OSHA must adopt standards by July 1, 2016.
Cal OSHA Proposed Regulations

• Cal OSHA has issued proposed regulations and has completed initial public comment period.
• CHA has been an active participant in the comment process.
• Anticipate Cal OSHA to respond to public comments by March with final regulations issued shortly thereafter.
Workplace Violence Prevention Plan (WVPP) Requirements

• Employee and their representatives involvement in the plan development.

• Procedures to communicate with employees workplace violence matters.

• Assessment procedures to identify and evaluate environmental risk factors.
  – Including poor illumination, blocked visibility, lack of physical barriers, lack of escape routes, access to alarm systems, entryways, furnishings or objects that can be used as weapons, etc.
Plan Requirements Con’t

• Procedures to correct workplace violence hazards.
  – Corrective measures can include:
    • Ensuring sufficient numbers of trained staff
    • Providing line of sight or other immediate communication in all areas where patients or members of the public may be present.
    • Configuring facility spaces
    • Removing, fastening, or controlling furnishings or objects that could be used as weapons
    • Creating security plan regarding firearms, including monitoring and controlling designated public entrances.
    • Alarm systems
  • Procedures for post incident response and investigation.
Additional Regulation Requirements

- Violent Incident Log
- Annual Review of the WVPP
- Reporting requirements (24 or 72 hours)
- Recordkeeping requirements
- Training requirements
Training Requirements

- Training to all employees, including temporary employees working the facility, unit, service or operation.
- All personnel present in health care facilities shall be trained on the employer’s plan and what to do in the event of an alarm.
- Employees and their representatives shall be permitted to participate in the developing training curricula and training materials.
- All employees shall receive initial training when the plan is first established, upon hire and transfer.
- Initial training shall include:
  - Explanation of the plan
  - How to recognize potential for violence
  - Strategies to avoid physical harm
  - How to report incidents to law enforcement
  - Resources on coping with incidents of violence
  - An opportunity for interactive questions and answers with a person knowledgeable about the employer’s WVPP.
Training Requirements Con’t

• Employees performing patient contact activities shall be provided annual refresher training.
  – Refresher training must also provide opportunity for questions
• Employees assigned to respond to alarms or other notifications of violent incidents shall be provided initial and annual training on 9 specific topics set forth in the regulation. Including:
  – General & personal safety measures
  – Aggression and violence predicting factors
  – The assault cycle
  – Characteristics of aggressive and violent patients and victims
  – Verbal and physical maneuvers to defuse and prevent violent behavior
  – Strategies to prevent physical harm
  – Restraining techniques
  – Appropriate use of medications and chemical restraints
  – Opportunity to practice
Palomar Health Status

• Violence Prevention Steering Committee
  • Facilities, Security, Nursing, HR, Employee Health, Org Learning, and Regulatory
    – Focus has been on proposed regulations
    – RFP for Security Assessment

• Next Steps
  – Security Assessment
  – Budget considerations
  – Gap Analysis
  – Creation of Staff Committee