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UCSF STANFORD HEALTH CARE

HUMAN RESOURCES DECISIONS/DISCUSSION ITEMS

APRIL 18, 1997

The following is a summary of human resources discussion items from the meetings held on April 9 and 11 at UCSF, UCSF/Mount Zion, Stanford and Packard Medical Centers.

EMPLOYMENT PROCESS:

- Employees will not be required to apply for positions, except in the areas of potential consolidation at start-up.
- Employees will be sent offer letters to their homes. Offer letters will include the title, pay rate and FTE commitment along with a description of employee benefits. Employees will have between fifteen and thirty days to respond to offers (depending on the effective date of the merger). If the effective date is July 1, letters should go out in mid May. If the effective date of the transaction moves, the date offer letters are sent out may move.
- Employees who accept job offers within the offer period, thereby resigning from the parent organization, will have service credit recognized, and the ability to transfer time off benefits to the new entity (to the extent permitted by law). Those employees who have completed their probationary or trial periods with the parent organization and who accept offers within the offer period will not serve a new probationary/trial period.
- There is a commitment to offer employees their same base salary.
- General meetings will be set up at all sites to discuss general terms and conditions of employment and benefits issues.
- Processes will be established for employees to complete any employment paperwork and sign up for benefits plans.
- "Parent" organizations will follow their regular procedures in processing termination of employees who decline job offers or who do not receive offers from USHC.

BENEFITS:

No final decisions on benefits plans have been made. The following options are under discussion:

- The new organization will offer time off benefits. The program may be a paid time off program that groups all time off benefits (vacation, sick leave, holiday) into one pool. Currently, Stanford and Packard have PTO programs; UCSF has a traditional vacation, sick leave, and holiday program.

- We are awaiting advice on the legality of rolling over accrued time to the new organization, and offering the possibility of cash out or rollover to employees. At UCSF, sick leave will be rolled over in some manner. If a PTO program is adopted, we will have to identify what to do with accrued sick leave.
- For employees who accept job offers as described above, service credit with the current organization will be recognized by USHC to the extent it uses service credit to derive benefits eligibility.
- USHC will offer medical, dental and vision plans. A point of service medical plan and HMOs will be offered. Specific plans and employee premium payments have not been decided.
- USHC will offer a retirement plan to employees. It will most likely be a defined contribution plan.
- USHC is considering offering retiree health benefits.
- USHC will also offer a 403b plan to allow employees to make pre-tax contributions to retirement savings. Options are being explored to resolve outstanding 403b loan issues at UCSF. It may be possible to roll the assets and the loans into USHC's plan.
- Options are being explored to protect the retirement benefits of certain long-term employees who are close to retirement.
- Dependent care savings accounts will be offered by the new organization.

OTHER ISSUES:

- Employees on leave of absence will have their leave recognized by USHC. They will be offered employment contingent upon return to work per the terms of the original leave of absence request.
- A comprehensive classification and compensation system will be developed post-implementation. At that time, equity and market issues will be addressed across the organization.
- * • USHC will be market-sensitive in its employee salary and benefits programs.