

Letter of Agreement

SEIU 517M, Human Services Support Unit
And
State of Michigan, Office of the State Employer
Article 16, Section 5. Annual Leave Donations

The parties agree that having a uniform process for donation and receipt of annual leave across State government would increase efficiency and understanding of the procedure.

Following approval of this Agreement, the parties agree to address this issue in the Labor/Management Health Care Committee forum(s) to attempt to remove inconsistencies in the processes and draft a uniform procedure.

Proper subjects to be addressed at this meeting include, but are not limited to:

- Conditions under which leave can be received and
- Conditions under which leave can be donated, and
- The procedure for making such a request.

Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

Letter of Understanding

Joint Healthcare Committee

During the 2011 negotiations, the parties discussed the mutual goal of designing and implementing health care plans, including ancillary plans, that effectively manage costs and that work to keep members healthy. To that end, the Employer and the Unions will convene a Joint Healthcare Committee (the "Committee") whose charges will include, but not be limited to:

- a. Analysis of current plan performance identifying opportunities for improvement;
- b. Investigate potential savings opportunities from re-contracting pharmacy or other carrier contracts;
- c. Review the current specialty pharmacy program and identify best-in-class specialty programs to use as a benchmark;
- d. Analyze current HMO plans to determine if they are a cost-effective means of providing high quality health care;
- e. Investigate impact on outcomes and costs of Value Based Benefit Designs;

- f. Identify opportunities for cost-containment programs and carve out programs;
- g. Investigate opportunities to save costs by modifying or otherwise limiting medical, professional and pharmacy networks;
- h. Review current chronic care management programs to determine effectiveness as well as ongoing member compliance;
- i. Investigate work place health and wellness programs and make recommendations with the goal of educating and motivating employees toward improved health and wellbeing;
- j. Make recommendations to increase voluntary participation in health and wellness screenings and benefits included in current health plans;
- k. Identify educational opportunities relative to facility and professional provider quality data, as well as designated centers of excellence.

As mutually agreed by the parties, independent subject matter experts and consultants may be called upon to assist the Committee in carrying out their charges.

Within 30 days of the effective date of the Agreement, each union shall appoint a representative to serve on the Committee and the Employer shall designate up to four representatives. The Committee will be jointly chaired by a representative designated by OSE and a representative designated by the Unions.

Monthly meetings of the Committee shall be scheduled with the first being held no later than 45 days following the effective date of the Agreement.

Letter of Understanding NEOGOV

During the course of negotiations in 2011, the parties discussed the changes in technology related to the hiring process; specifically the NEOGOV system. The parties have agreed to explore the use of this technology for mutually beneficial opportunities in order to streamline the transfer request process. Any changes that would modify the Collective Bargaining Agreement would be implemented in a separate Letter of Understanding that would be submitted to the Civil Service Commission for approval.

Letter of Understanding

New Solutions Committee

During the 2011 negotiations, the parties discussed the role of labor management cooperation and collaboration in providing more efficient delivery of services to the citizens of Michigan. The parties recognize that the efficient delivery of services to the public should be mindful of the cost effectiveness, quality of delivery, accountability and public interest. The discussion encompassed the Unions' New Solutions Report, which encourages all stakeholders to work together in an open dialogue manner to achieve best in class public service.

The parties agreed to approach the New Solutions Report jointly with the goal of facilitating the development of positive programs relative to the effective use of resources. Such effective use of resources may include self-directed work teams or other empowerment initiatives as agreed by the parties to provide front line workers with the support needed to effectively perform their jobs.

The parties recognize that Lean Optimization can be a valuable tool in achieving the effective use of resources. Lean Optimization has the simple goal of helping state government work better for both its customers and its employees. Lean practices rely on joint participation between employees and management at all levels within the State. World class service cannot occur without such employee involvement.

Within sixty (60) days of the effective date of the Collective Bargaining Agreement, a New Solutions Committee will be established to explore innovative solutions to deliver better customer service and pursue better value from those who deliver the services. Each of the Coalition Unions may designate two (2) representatives to meet with the Office of the State Employer. Representatives from the Departments and/or the Civil Service Commission may participate as needed. The Committee will determine the meeting schedule and agenda. The parties agree on the value of utilizing outside independent facilitators trained in business lean practices and will explore funding alternatives to engage mutually agreed upon lean consultants.