DATE: August 30, 2019

TO: Honorable Members of the Board of Supervisors
   Jeffrey V. Smith, County Executive

FROM: John P. Mills, Director, Employee Services Agency

SUBJECT: Under Advisement from August 13, 2019, Agenda Item No. 67: Off-Agenda Report RE: Hospital Integration and Transition Planning for O’Connor Hospital, St. Louise Regional Hospital, and De Paul Health Center

At the August 13, 2019 Board of Supervisors’ meeting, the Board requested an off-agenda report relating to the transitioning of O’Connor Hospital, St. Louise Regional Hospital, and De Paul Health Center personnel from provisional to probationary status, including the following:

- Key milestones;
- Future phases of the staff integration process;
- Classification reviews and processes to resolve disputes;
- Major issues expected during the next six months.

This memorandum provides the requested information.

Employee Services Agency (ESA) has completed the following key milestones as of August 27, 2019:

- Onboarded 1,570 Verity employees to provisional or extra-help status in one pay period;
- Resolved 86 pay discrepancies and 80 classification discrepancies;
- Completed recruitments and referred eligible lists for 50 classifications affecting 673 provisional employees;
- 102 former Verity employees have converted from provisional to probationary status;
- Recruitments are currently underway for an additional 78 classifications.

Upcoming key milestones are to:

- Complete the remaining recruitments and refer eligible lists by January 2020;
- Departments to hire provisional employees into probationary or other status by February 28, 2020.
The timeline at the end of this report provides an illustration of the completed and projected phases of the staff integration process.

ESA’s role in the hospital acquisition process began by aligning each Verity employee with the appropriate County job classification. In February 2019, ESA processed the applications of, extended offer letters to, and enrolled 1,238 provisional employees into County benefit plans, in preparation for the operational transition of the Verity health facilities to the County on March 1, 2019. ESA also onboarded 332 extra-help employees who underwent a similar process.

Classification work began following the acquisition, with ESA ultimately undertaking 46 classification studies to date. These studies are needed to ensure that employees’ job duties align with their respective job classifications. Six classification studies have completed all steps of the classification study review process; 40 classification studies are at various points in the classification study review process.

The recruitment process has many steps that must be completed before an eligible list can be referred. Employee Services Agency—Human Resources (ESA-HR) has taken these steps into consideration when assigning each recruitment to ensure that the departments will receive a referred list and will have time to interview referred candidates before the provisional appointments expire. Recruitments have been ongoing since April 2019, with all eligible lists anticipated to be referred by January 2020.

In collaboration with hospital system leadership, ESA has identified and prioritized the most critical recruitments to occur first in the provisional period. Most of these critical recruitments have already been completed. Recruitments for the remaining classifications will ensue over the next few months, allowing for departments to complete all hiring selections before the provisional appointments expire in March 2020.

The figures below illustrate both the completed recruitments, projected recruitments, and number of provisional employees affected over the course of the provisional period.
Outstanding Issues and Concerns

ESA has been and will continue to resolve issues as they are presented. The final months of the staff integration process will be dedicated to identifying and resolving any outstanding issues that may remain. Most of the issues that have been presented thus far are related to benefits, classification, and pay.
Benefits

The County offers a variety of medical benefit plan options. Depending on the medical plan and coverage tier selected, an employee could be required to contribute toward the premium. This resulted in unexpected deductions for some employees.

Classification & Pay

One of ESA’s primary goals during the hospital acquisition process was to ensure that Verity employees would be aligned to the appropriate County job classifications. ESA-Human Resources reviewed the job duties of each OCH and SLRH employee and compared them with existing County job classifications to ensure accurate placement. Since the County’s job classifications and pay structure differ from those at Verity, some employees expressed concerns with the classifications in which they were placed and/or the resulting pay.

Other

Due to the unprecedented scale of the hospital acquisition, the County initially experienced a steep increase in the number of issues related to paycheck distribution following the first pay periods of County ownership of the former Verity health facilities. This delayed the disbursement of some employee paychecks; however, these issues were quickly addressed and resolved.

The figure below illustrates the percentage of open versus resolved issues by month since the acquisition.
The table below illustrates the distribution of issues by type as of Aug 22, 2019.

<table>
<thead>
<tr>
<th>Concern</th>
<th>Open</th>
<th>Resolved</th>
<th>% Resolved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classification</td>
<td>24</td>
<td>80</td>
<td>77%</td>
</tr>
<tr>
<td>Pay-Rate</td>
<td>33</td>
<td>86</td>
<td>72%</td>
</tr>
<tr>
<td>Benefits/Other</td>
<td>111</td>
<td>190</td>
<td>63%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>168</strong></td>
<td><strong>356</strong></td>
<td><strong>68%</strong></td>
</tr>
</tbody>
</table>

**Future Phases of the Integration Process**

While the recruitment phase of temporary status (i.e., provisional) employees moving into probationary status will continue, the next two key phases of the hospital integration process, for a personnel perspective, will be the free movement of employees (i.e., transfers) across the County and within the Health System departments, and, more importantly, the training and education of staff and leadership at the acquired health facilities. As the workforce stabilizes and operations start to become more integrated, it is important that staff not only understand County processes, but also employment and accountability in the public sector.
Classification Reviews

ESA continues to review the duties of provisional employees to ensure that they match the County classification in which they were initially placed. In some cases, new classifications must be created for duties performed at O’Connor Hospital (OCH) and/or St. Louise Regional Hospital (SLRH) for which County classifications do not exist (e.g., Exercise Physiologist). These reviews entail the development of job duties and employment standards (i.e., minimum qualifications), establishing the appropriate compensation within the County’s pay structure, obtaining concurrence from the department and the bargaining units to which the new classifications are allocated, and finally, submitting to the Board for approval. The timing of all these steps is crucial to allow for enough time for the recruitment to be completed, eligible lists to be referred, and hiring selections to be made by the department before provisional status expires on March 1, 2020. One of the hurdles to the timely completion of the classification review process that ESA is actively working to resolve is obtaining concurrence from the employee organizations representing these classifications in a timely fashion.

Processes to Resolve Discrepancies and Disputes

The Employee Services Agency has several avenues in place for issues to be raised and for discrepancies and disputes to be resolved.

- Experienced ESA staff are on site at both OCH and SLRH;
- Weekly status meetings with hospital campus and system leadership;
- Collaboration with SEIU at established monthly meetings (and currently at the contract negotiation tables);
- Tracking of any outstanding issues to completion;
- Weekly internal ESA meetings related to all personnel aspects of the hospital integration process;
- One-on-one outreach from HR staff to hospital management.

Major Issues Expected During the Next Six Months

The following are anticipated issues over the next six months.

- Provisional employees failing the County’s civil service examinations, or passing but not scoring high enough to achieve a ranking on the eligible list that will ensure that their names are referred to the department hiring manager for interview (based on the Merit System Rule limitations on the number of names that can be referred, depending on the number of vacancies to be filled);
• Delays in obtaining or failures to obtain union concurrence in the classification study process;
• Provisional employees who submit incomplete applications or applications that do not demonstrate that the employee meets the employment standards (i.e., minimum qualifications) for the classification to which they are applying (Merit System Rules provide the opportunity for applicants to submit additional information to qualify to take the exam prior to the administration of the exam).

Mitigation Plan

ESA is closely monitoring and addressing each issue as it arises. Some of the protocols that ESA has implemented include:

• Working closely with each provisional employee to ensure that their job applications reflect a complete history of their education and experience;
• Scrutinizing and reviewing each examination with the department for job relevance through the job analysis process;
• Providing outreach to candidates on test preparation and/or ESL courses;
• Exploring alternative temporary employment, such as extra-help or unclassified, if a provisional employee does not pass the examination;
• Continuing to meet with employees and employee organizations to understand their concerns as they are raised.
• Processed applications of, extended offer letters to, and enrolled 1,238 provisional employees into the full suite of County benefit plans

• All job classifications affecting provisional employees will be posted for recruitment by November
• 46 classifications require ESA to perform a job analysis prior to beginning recruitment
• Recruitments have been prioritized and postings are being staggered based on hospital need and projected duration of the examination processes
• By January 2020, all eligible lists will be created and referred for the department selection process

• Issues will continue to be identified and proactively resolved throughout each phase
• After January 2020, ESA will resolve any remaining outstanding issues