



HEABC • Health Employers Association of BC

Sustainable Health Care through Innovation



Annual Report
2003 - 2004

HEABC
Health Employers Association of BC

HEABC Board of Directors

Health Authority Representatives

Northern Health Authority	Jeff Burghardt Governor
Provincial Health Services Authority	Lynda Cranston President and Chief Executive Officer HEABC Board Chair
Fraser Health Authority	Glen Grant Governor
Vancouver Island Health Authority	Linda Petch Governor
Interior Health Authority	Roger Sharman Governor HEABC Vice Chair
Vancouver Coastal Health Authority	Andrew Smith Governor

Provincial Representatives

Affiliate Care Provider	Darrell Burnham Executive Director, Coast Foundation Society (1974)
Denominational Care Provider	Gerald Herkel Executive Director, St. Michael's Centre
Proprietary Care Provider	Neil Stuart Owner/Administrator, Acacia Ty Mawr Holdings Ltd. HEABC Honorary Secretary-Treasurer

Government Representatives

Annette Wall	Assistant Deputy Minister Public Sector Employers' Council Secretariat Ministry of Finance
Anne Sutherland Boal	Assistant Deputy Minister and Chief Nurse Executive Clinical Innovation and Integration Ministry of Health Services



HEABC: The Organization and its Services

The Health Employers Association of BC (HEABC) is a unifying body serving a diverse group of more than 330 publicly funded health care employers. It is the first and only organization in Canada to represent the entire spectrum of health care employers. HEABC was formed under the Public Sector Employers' Act in response to the Korbin Commission of Inquiry into the Public Service and Private Sector in British Columbia. The Commission outlined a process for creating a single organization to coordinate the human resource and labour relations interests of health care employers in the province. On December 1, 1993, HEABC took on this coordinating role through the amalgamation of the Continuing Care Employee Relations Association (CCERA), the Health Labour Relations Association (HLRA) and the labour relations division of the BC Association of Private Care (BC Pricare).

Since its formation, HEABC has continued to provide the general and specific services in human resources and labour relations set out in the legislation:

- ▶ Contract Negotiations
- ▶ Research and Strategic Planning for Health Care Reform
- ▶ Consultation, Coordination and Communication
- ▶ Essential Services Designations, Labour Adjustment and Non-Contract / Executive Compensation
- ▶ Human Resource Initiatives.

In keeping with the changes and new challenges in the provincial health system, HEABC has continued to evolve to focus on:

- ▶ Physician, nurse and allied health care worker recruitment
- ▶ Working in partnership with other agencies and organizations in health care, government and broader business community to further the interests of the HEABC membership. Staff or Board members presently sit on the Boards or relevant committees of 20 organizations
- ▶ Providing services and advice on issues relating to human resources, research, compensation and bargaining, and working to ensure a consistent employer approach in these areas
- ▶ Supporting members by lobbying government for positive structural and legislative change
- ▶ Ensuring fiscal accountability
- ▶ Providing effective management of human resources for both unionized and non-unionized staff
- ▶ Facilitating effective communication and coordination between employers and the various public sectors, and achieving a better balance of union/management and employer/employee interests.

HEABC operates from a head office in Vancouver and regional offices in Kelowna and Victoria with a professional staff dedicated to meeting the needs of our members.



Report from the Chief Executive Officer

Since I joined the Health Employers Association of BC (HEABC) last December, I have regularly met with members and staff to garner a broader understanding of the organization and health labour relations practices in BC. In that short time, I have come away impressed by the magnitude of challenges confronting this association, and the expertise and commitment of members, the Board and staff hard-at-work, facing those challenges head-on.

Together, we finalized a strategic plan and prominent within all of our discussions was the issue of sustainability in health care. How does one maintain and enhance health care for British Columbians within the reality of fiscal restraint? That question proved endemic to the bargaining process which commenced in January. Though there are no easy answers, we learned that innovation can offer a foothold in the climb toward a place of mutual interest for employers and employees.

I am happy to report we ratified a Collective Agreement with the Community Subsector in March that saved money for patient care. Achieving a negotiated Collective Agreement with the Facilities Subsector was not possible and following a strike by the Facilities Subsector, government intervention was needed to achieve a settlement. However, while in the midst of finalizing this Annual Report, we signed innovative framework agreements with the Nurses Bargaining Association and the Paramedical Professional Bargaining Association which, we hope, will influence the spirit of future negotiations at all tables, and be consistent with our strategic goals.

Part of this year's mandate was the improvement of member communications. Reflected in our strategic plan, this commitment included enhanced relationships with members and government, improvements to internal and external communications, improvements to the website and enhanced media profile during the bargaining process designed to improve public understanding of the issues and HEABC's role.

The coming year brings many new and exciting opportunities for HEABC as we strive to provide better service for members in a range of areas. As we move forward, we will be asking for your input on how we can make HEABC an even better organization for you now and into the future.

In conclusion, I would like to thank the Board, our members and our staff for the warm welcome that you gave me when I arrived in BC six months ago. I look forward to working with you in the many months ahead.



R. M. Louise Simard
Chief Executive Officer

Report from the Board Chair

The end of 2003 brought an exciting new change to the Health Employers Association of British Columbia (HEABC). On behalf of our Board, I would like to welcome Louise Simard as the new CEO and President of HEABC. Louise brings to HEABC a vast wealth of knowledge and expertise in the Canadian health care system. HEABC will greatly benefit from Louise's administration as the organization continues to grow as a leader in health system labour relations and human resource practices.

Over the past year, we have heard from you that fiscal constraints continue to be a major concern. Looking for creative solutions to meet your needs has been a priority for HEABC. Last spring 2003, with the collapse of the Tentative Framework Agreement (TFA), HEABC worked with you to develop a framework for local agreements, which a number of smaller employers were able to use effectively at their facilities. HEABC also represented members when the unions imposed a number of hurdles in their efforts to delay Health Authorities and affiliate members in contracting out.

With these challenges and initiatives in mind, the Board held a strategic planning session in January 2004. This session yielded revisions to HEABC's Vision, Mission, and Value statements, and strategic goals, which set new priorities for HEABC. We look forward to keeping you informed of HEABC's initiatives on your behalf.

We recognize that our members provide excellent health care to British Columbians, despite the inherent challenges. The Board of HEABC will continue to support you in your efforts to find creative ways to provide efficient and cost-effective services.

I would like to thank my colleagues on the Board, the CEO and the staff at HEABC for their excellent work and dedication. With a solid commitment to innovation and communication by HEABC and its members, the opportunities to create truly sustainable health care are equally as abundant as any challenges we face.



Lynda Cranston
Board Chair



Member Services

Human Resources Planning

HEABC remained active in the area of Human Resources Planning by continuing to represent employers' interests at the Health Human Resource Advisory Committee chaired by the Ministry of Health, and by working with Health Authorities to identify key HR Planning priorities.

HEABC recognizes the importance of HR Planning in light of market changes and the labour environment in British Columbia. The key HR Planning priorities identified by employers in 2003/2004 will be an area of focus in 2004/2005.



HEABC Workshops and Training

During the period June 2003 to December 2003, HEABC presented numerous workshops:

WORKSHOP	# OF ATTENDEES
Attendance Management	78
Discipline & Performance Evaluation	37
Grievance Handling	38
Managing Leaves	35
Selection	95
Total Attendees	283

Executive, Management and Non-Contract Compensation

HEABC is working with government to develop a workable, incentive-based pay framework for non-contract staff in the health sector, enabling health employers to attract and retain quality talent from a highly competitive marketplace.



Union Compensation and Classification

The numerous projects (such as Nurses – Appendix Z, Paramedical – Appendix 5, Community Job Classification Implementation Project) flowing from the provincial leveling processes are close to being finalized by HEABC and the respective Associations permitting opportunities for focusing on other key industry issues facing the classifications systems in the sector.

Physician Compensation

HEABC is working with all stakeholders in researching and preparing materials for the mediation and conciliation process between BCMA and the government.

Workers' Compensation Board (WCB) and Occupational Health and Safety

HEABC continues to assist members with the WCB issues, benefit plan interpretations, and occupational health and safety issues.

The latest statistics from the WCB show continued improvement in terms of days lost, which decreased from 345,000 in 2002 to 260,000 in 2003.

HEABC continues to work closely with the Occupational Health and Safety Agency for Healthcare (OHSAH). Over the past year, OHSAH assisted employers in numerous areas including the PEARS Program dealing with prevention of injuries and early return to work, and the WHITE Program, which is a system to track WCB statistics.

Benefit costs are a concern for employers and HEABC is working with employers and looking at numerous initiatives to help reduce the costs of health and welfare benefits.

Health Match BC

With 151 vacancies filled in 2003, Health Match BC marked its fifth successful year providing physician recruitment support to the province's rural communities. The provision of one-time funding under the direction of the Joint Standing Committee on Rural Issues facilitated a number of key marketing initiatives over the last year focused on recruiting family practitioners, internal medicine specialists, anesthesiologists, obstetricians and gynecologists, psychiatrists and radiologists. These included a highly successful foreign recruitment mission to Edinburgh and London that produced 108 prospects, and an extensive international print media campaign targeting Canada, the United States, the United Kingdom, Australia and New Zealand. In addition, individualized marketing profiles were created to promote the 103 communities covered by the Subsidiary Agreement for Physicians in Rural Practice. To assist communities with the recruitment process, a comprehensive employer's guide to physician recruitment was developed and is being distributed through educational workshops and site visits by Health Match BC's physician consultants.

Since launching its urban and rural nurse recruitment support services in the year 2000, a total of 315 nurse placements have been facilitated with 142 vacancies filled in 2003. This represents an increase of 67% over 85 vacancies filled the previous year. Over the course of the year, Health Match BC's nurse recruitment consultants, in collaboration with the province's health authorities, attended 34 conferences, career fairs and university/college campuses across Canada and one event in the United States, both raising awareness of nursing opportunities in BC and recruiting candidates face-to-face.

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Bargaining Updates

2004 was a bargaining year for HEABC as five Collective Agreements expired March 31, 2004.

Community Subsector

HEABC successfully negotiated a two-year extension to the Collective Agreement in the Community Subsector. The contract extension runs from April 1, 2004 to March 31, 2006, and contains significant Union concessions voluntarily agreed upon, without resorting to any strike action or third party intervention.

Employer savings in total compensation amount to savings of 10.1% in the first year and 12.9% in the second year for an average savings of more than 11% annually.

The parties agreed to the following significant changes:

- ▶ defer the implementation of the Municipal Pension Plan (MPP) until April, 2006
- ▶ delete the Comparability and Standardization Memorandum which required the phase-in of Facilities Subsector wage rates and benefits
- ▶ an across the board wage reduction of over 4%, and
- ▶ a reduction in vacation entitlement
- ▶ a memorandum providing for some consequences to contracting out, but which does not interfere with employer rights to proceed with health care reform.



Facilities Subsector, Bill 37 and the Memorandum of Agreement

Negotiations with the Facilities Bargaining Association were challenging despite HEABC's efforts to activate the process by making revisions to its sets of proposals, including an offer to put new tenders on hold over the course of bargaining. Key among the issues were labour cost savings, contracting out and job security.



Those efforts and the involvement of a mediator proved fruitless. Negotiations stalled and a strike occurred, and the government legislated Bill 37, the Health Sector (Facilities Subsector) Collective Agreement Act.

Bill 37-2004 provides for the continuation of the 2001-2004 Facilities Subsector Collective Agreement with amendments in five (5) areas. Those areas are:

1. A move to the thirty-seven and one-half (37.5) hour work week
2. A revision to the temporary job posting process in Article 16.01 (c)
3. An addition to Article 19.01 to avoid the payment of overtime in certain scheduling circumstances
4. A revision to the bumping process, and
5. A reduction to wages and/or benefits.

A Memorandum of Agreement was signed on May 2, 2004, averting a general strike, and enabling health employers to restore services for patient care. The Memorandum of Agreement limits contracting out to 600 FTEs between April 1, 2004 and March 31, 2006.

In the end, a 15% reduction on wages and benefits was achieved, but not without an overwhelming and very negative impact on patients.

Bill 37-2004 provides that there will be a reduction in either wages or wages and benefits in one of two (2) options that was to be chosen by the Facilities Bargaining Association by May 13, 2004.

One option was an across-the-board reduction of 11% on all wages.

The other option was a 10% reduction in total compensation to be determined by an arbitrator from a list of specific items – wages, overtime, premiums, statutory holidays, paid leaves including annual vacation, and health and welfare benefits.

To the surprise of government and HEABC, the FBA chose the 11% reduction option.

Nurses

Media and government praised HEABC and the Nurses Bargaining Association (NBA) for their innovation and spirit of negotiation in signing a framework agreement at the end of May, restoring stability to health care. The framework agreement establishes a net zero mandate with respect to total compensation for nurses.

Both parties have agreed to a rollover of the existing Collective Agreement.

They have also agreed to form discussion groups in which to discuss specific health policy issues such as increasing the number of regular full-time positions for nurses, shift scheduling, and hours of work.

Recommendations resulting from these discussion groups, which have an impact on the Collective Agreement, will then be referred to the respective bargaining committees.

The bargaining process will continue after these discussions are completed and will refocus on a reduced number of agenda items including the Occupational Health and Safety Agency for Healthcare (OHSAH).

The discussion and bargaining process takes place through to the end of July.

Agreements reached by these parties will either be part of a separate letter of understanding or will be recommended as amendments to the rolled-over Collective Agreement.

Amendments to the rolled-over Collective Agreement will be presented to nurses and employers for ratification.

The expected result of this process is that both parties will have significantly narrowed and refocused their respective objectives for this round of negotiations, facilitating each party's ability to make acceptable recommendations to their respective memberships.

Paramedicals

On June 10, 2004 – as this Annual Report was in the process of being finalized – HEABC achieved a framework agreement with the Paramedical Professional Bargaining Association.

Supporting a mandate of stability and sustainability for the health care system, the framework agreement for a two-year Collective Agreement establishes a net zero mandate with respect to total compensation. Within the continuation of the current bargaining process, it also allows for discussions on a limited number of issues important to employers and employees.

Bargaining will continue until the end of July. Any agreements reached by these parties will be recommended as amendments to the rolled-over Collective Agreement. The rolled-over Collective Agreement will be presented to members of HEABC and the PPBA for ratification.

Residents

Bargaining with the Professional Association of Residents of B.C. is adjourned until the outcome of the nurses and paramedical bargaining is known because of the similarities between the agreements.



Health Employers Association of British Columbia

Balance Sheet

March 31, 2004

	2004	2003
ASSETS		
CURRENT		
Cash	\$ 841,883	\$ 181,311
Restricted cash	1,661,217	1,074,239
Short-term investments	4,111,922	2,718,968
Accounts receivable	176,078	173,117
Prepaid expenses	55,337	53,511
	6,846,437	4,201,146
PROPERTY AND EQUIPMENT	345,748	393,593
	\$ 7,192,185	\$ 4,594,739
LIABILITIES		
CURRENT		
Accounts payable	\$ 1,221,849	\$ 918,964
Deferred contributions		
Operations	2,287,509	796,542
Administrative	1,661,217	1,074,239
	5,170,575	2,789,745
DEFERRED INDUCEMENT	119,876	-
ACCRUED RETIREMENT LIABILITY	256,818	211,554
	5,547,269	3,001,299
NET ASSETS		
Net assets invested in property and equipment	345,748	393,593
Net assets internally restricted	-	99,556
Unrestricted net assets	1,299,168	1,100,291
	1,644,916	1,593,440
	\$ 7,192,185	\$ 4,594,739

COMMITMENTS AND CONTINGENCIES

APPROVED BY THE DIRECTORS:



Director



Director

Note: The above is an excerpt from the financial statements which includes Notes to the Financial Statements, which form an integral part of the statement. Complete Audited Financial Statements are available at the offices of HEABC.

Health Employers Association of British Columbia

Statement of Revenue and Expenses

Year ended March 31, 2004

	2004	2003
REVENUES		
Government funding	\$ 9,894,882	\$ 9,895,000
Member assessment	140,458	-
Fee for service	5,146	3,325
Benefits fee	296,364	282,402
Annual general meeting / conference fees	21,011	14,767
Member training fees	32,032	41,037
Interest and other revenue	151,063	68,409
	10,540,956	10,304,940
Funding from deferred contributions - operations	689,033	661,563
	11,229,989	10,966,503
EXPENSES		
Salaries and benefits	6,073,995	5,880,053
Travel and meetings	235,532	220,043
Arbitration and hearing costs	172,808	85,054
Legal and professional	1,143,994	1,255,279
Recruiting and relocation	104,796	37,629
Staff training - research and memberships	89,808	90,597
Office, printing and reproduction	382,818	431,341
Rental - office and equipment	1,301,556	1,255,948
Annual general meeting / conference	16,438	16,875
Member training	21,298	30,038
Amortization	142,720	154,097
GST - unrecoverable	117,748	123,900
Leadership development program	-	50,000
Recruitment Services - Health Match	1,375,002	911,351
TOTAL EXPENSES FROM OPERATIONS	11,178,513	10,542,205
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	51,476	424,298
FUNDING FROM DEFERRED CONTRIBUTIONS -		
Administrative		
Revenues	432,456	3,559,770
Expenses	432,456	3,559,770
	-	-
EXCESS OF REVENUES OVER EXPENSES	\$ 51,476	\$ 424,298

Note: The above is an excerpt from the financial statements which includes Notes to the Financial Statements, which form an integral part of the statement. Complete Audited Financial Statements are available at the offices of HEABC.

Mission Statement

The Health Employers Association of British Columbia provides professional, accountable labour relations and human resources and related services that contribute to:

- ▶ Sustainability, innovation and service excellence in health care
- ▶ Consistent practices that contribute to quality care
- ▶ Constructive labour-management environment
- ▶ Effective employer representation at the bargaining table.

Vision

Leadership in health system labour relations and human resource practices.

Values

As HEABC we believe in:

- ▶ An honest, accountable organization which conducts its affairs with integrity in an environment of mutual respect;
- ▶ The highest possible quality health care guided by the needs of members within a context of democratically mandated financial priorities;
- ▶ Working cooperatively, and in partnership with, health care employers and government.



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