Retrainee – Job Creation

Training Proposal for:
Southern California Permanente Medical Group, Inc.
Agreement Number: ET11-0321

Panel Meeting of: June 24, 2011

ETP Regional Office: North Hollywood  Analyst: M. Paccerelli

PROJECT PROFILE

Contract Type: Retrainee - Job Creation  Industry Sector(s): Healthcare

Counties Served: Los Angeles, Orange, San Diego, San Bernardino, Riverside

Union(s): ☒ Yes  ☐ No  Priority Industry: ☒ Yes  ☐ No

United Nurses Associations of California/Union of Health Care Professionals; SEIU-United Healthcare Workers West; OPEIU Local 30; USW Local 7600

No. of Employees in CA: 90,000  No. of Employees Worldwide: 140,000

<table>
<thead>
<tr>
<th>Turnover Rate %</th>
<th>Manager/Supervisor %</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>0%</td>
</tr>
</tbody>
</table>

FUNDING DETAIL

<table>
<thead>
<tr>
<th>Program Costs</th>
<th>Substantial Contribution</th>
<th>Total ETP Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>$229,880</td>
<td>N/A</td>
<td>$299,880</td>
</tr>
</tbody>
</table>

In-Kind Contribution $600,000
TRAINING PLAN TABLE

<table>
<thead>
<tr>
<th>Job No.</th>
<th>Job Description (by Contract Type)</th>
<th>Type of Training</th>
<th>Estimated No. of Trainees</th>
<th>Range of Hours</th>
<th>Average Cost per Trainee</th>
<th>Post-Retention Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retraine - Job Creation</td>
<td>MST Didactic; Computer Skills; Continuous Improvement</td>
<td>119</td>
<td>24 - 200</td>
<td>0</td>
<td>$2,520</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Weighted Avg: 140</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Minimum Wage by County: $19.21 for SET Frontline Workers in a Priority Industry (25% below the SET Statewide Wage of $25.61).

Health Benefits: ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

Used to meet the Post-Retention Wage?: ☒ Yes ☐ No ☐ Maybe

Health Benefits of up to $7.13 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation

<table>
<thead>
<tr>
<th>Occupation Title</th>
<th>Wage Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered Nurse</td>
<td></td>
</tr>
<tr>
<td>Licensed Vocational Nurse</td>
<td></td>
</tr>
<tr>
<td>Technicians/Technologists</td>
<td></td>
</tr>
<tr>
<td>Patient Care Support Worker</td>
<td></td>
</tr>
<tr>
<td>Patient Care Support Aide/Assistant</td>
<td></td>
</tr>
<tr>
<td>Clerical Worker</td>
<td></td>
</tr>
</tbody>
</table>

INTRODUCTION

In this proposal, Southern California Permanente Medical Group, Inc. (SCPMG) seeks funding for retraining as outlined below:

SCPMG is the for-profit arm of Kaiser Permanente, health care provider. It is eligible for ETP Funding under Special Employment Training (SET). SCPMG qualifies for ETP’s Priority Industry reimbursement rates as a healthcare employer. [Note: Although SCPMG is a healthcare provider, this proposal will be funded under the core program as part of the Retraine Job Creation Initiative.]

The training outlined in this proposal will be limited to newly-hired employees of the SCPMG which currently serves more than 3.3 million members and provides care through approximately 3,600 physicians at 11 hospitals and 130 medical offices.
**PROJECT DETAILS**

Despite the recession, demand for SCPMG’s services is growing. In the first quarter of 2011, the number of Kaiser members increased by more than 200,000. New employees are needed to staff SCPMG facilities to better serve new members in Southern California. At least 200 jobs will be created during the 9-month ETP benchmark hiring period. Total employment will be approximately 400 by the end of 2011.

There will be expansion of several projects within SCPMG, one of which is the Garfield Specialty Center, a new outpatient surgery center. Its services include audiology, pain management, general surgery, head and neck surgery, laboratory services, orthopedics, pharmacy, plastic surgery, and radiology.

In this proposal, training of new employees will focus on the following areas:

- **Computer Skills** will enable new employees to understand, operate, and optimize HealthConnect, the Kaiser electronic medical records system.

- **Continuous Improvement** will help employees learn to be full participants in unit-based teams which are the foundation of the Kaiser’s continuous improvement and employee involvement initiatives.

- **Medical Skills** training will help clinical staff follow Kaiser procedures and professional guidelines for clinical practice.

**Commitment to Training**

SCPMG represents that ETP funds will not displace the existing financial commitment to training. SCPMG anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

Past training efforts have consisted of new hire orientation, management and supervision, continuing education, and similar training. SCPMG also offers training in its Labor Management Partnership program, including consensus decision making and labor-management relations.

In addition to its expansion, SCPMG has appropriated funds for ongoing training at all locations. With the increase in demand of services from its members and the need for additional staff, the company estimates that it spends in excess of $10 million annually on training. The addition of ETP funding will allow SCPMG to carry out its expansion project with more training at a faster pace and provide extensive training to newly-hired workers.

SCPMG represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

**Retrainee - Job Creation**

Pursuant to action taken by the Panel in October 2010, core program funding is available for single-employers in support of job creation. To be eligible for the Retrainee - Job Creation program, trainees must be newly-hired within a nine-month period: three months prior to and six months after the Panel meeting at which the proposal is approved. If workers are hired later than 6 months out, they will still be eligible, but the approved amount of funding will not be increased. Under the Panel guidelines for this program the Substantial Contribution requirement is waived.
Special Employment Training

SCPMG does not face out-of-state competition. As such, it is only eligible for Special Employment Training (SET). To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period. However, the Panel may fund SET projects for frontline workers who earn up to 25% below the State average hourly wage for training in an industry sector identified by the Panel as a funding priority such as healthcare. (Title 22, CCR, Section 4409(a) (6).)

SCPMG is asking for this Wage modification, such that the minimum wage after retention will be $19.21 per hour. All wages are covered by a collective bargaining agreement.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal.

ACTIVE PROJECTS

The following table summarizes performance by SCPMG under an active ETP Agreement:

<table>
<thead>
<tr>
<th>Agreement No.</th>
<th>Approved Amount</th>
<th>Term</th>
<th>No. Trainees (Estimated)</th>
<th>No. Completed Training</th>
<th>No. Retained</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET11-0132</td>
<td>$249,480</td>
<td>02/07/11 – 02/06/13</td>
<td>315</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The existing Agreement (ET11-0132) is to train incumbent workers primarily to improve the functioning of unit-based teams. In the new proposal, training is for new employees recently hired due to ongoing growth and expansion throughout the Southern California Permanente system.

PRIOR PROJECTS

The following table summarizes performance by the SCPMG under ETP Agreements that were completed within the last five years:

<table>
<thead>
<tr>
<th>Agreement No.</th>
<th>Location (City)</th>
<th>Term</th>
<th>Approved Amount</th>
<th>Payment Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>ET08-0249</td>
<td>Multiple</td>
<td>11/19/07-11/18/09</td>
<td>$900,900</td>
<td>$900,900 (100%)</td>
</tr>
<tr>
<td>ET06-0133</td>
<td>Multiple</td>
<td>02/13/06 – 02/12/08</td>
<td>$998,478</td>
<td>$995,046 (99%)</td>
</tr>
</tbody>
</table>

DEVELOPMENT SERVICES

Steve Duscha of Sacramento assisted in the development and completion of the application at no cost to SCPMG.
ADMINISTRATIVE SERVICES
N/A

TRAINING VENDORS
N/A
Exhibit B: Menu Curriculum

Class/Lab Hours
24 - 200

Trainees will receive any of the following:

Computer Skills
- KP HealthConnect System
- Computer Skills for Unit-Based Teams
- Electronic Medical Records System Operation and Optimization
- Networking
- System Updates

Continuous Improvement
- Budgeting, Staffing, and Scheduling
- Case Management/Discharge Planning
- Charge Nurse Training/Frontline Leadership Skills
- Communications Skills
- Conflict Resolution Skills
- CORE Measures
- Critical Thinking Skills
- Culturally Appropriate Care
- Customer Service Skills
- Documentation Skills
- Gathering and Using Data
- Identifying and Resolving Problems
- Learning Work Processes
- Organization and Time Management Skills
- Patient and Family Centered Care Skills
- Performance and Quality Improvement and Procedures Skills
- Planning and Designing Work Processes
- Preceptor Skills (train-the-trainer)
- Reviewing and Evaluating Team Performance
- Setting Goals and Establishing Metrics
- Team Building Skills

Medical Skills Training – Didactic
- Advanced Cardiac Life Support (ACLS)
- Audiology Diagnosis and Treatment
- Basic Life Support (BLS)
- Body Mechanics
- Emergency Room Nursing Skills
- Equipment Skills (IV Pumps, Cardiac Telemetry, Vital Signs, Pulse-Oximeter, Ventilators, Specialty Beds and Mattresses, etc.)
- Evidence Based Practices
- Imaging Skills
- Infection Control
- Medical Diagnosis Skills
- Medical Process Skills
Orthopedics
Pain Management
Patient Assessment and Care
Pharmacy Skills
Phlebotomy Skills
Surgical Assisting
Surgical Nursing
Surgical Preparation

Note: Reimbursement for retraining is capped at 200 total training hours per trainee.
March 30, 2011

To Whom It May Concern:

We support the application of Kaiser Permanente to the Employment Training Panel to support training for our members at the Southern California Permanente Medical Group.

Signed by:

Joe Simoes
Kaiser Division Director
SEIU United Healthcare Workers West
560 Thomas L. Berkley Way
Oakland, CA 94612
March 25, 2011

Employment Training Panel Members,

The United Nurses Associations of California (UNAC/UHCP) strongly supports the application of Kaiser Permanente to the Employment Training to support training for our members at the Southern California Permanente Medical Group.

Respectfully,

[Signature]

Barbara L. Blake, RN
State Secretary, UNAC/UHCP

BLB/ss
Cc: Zeth Ajemian
March 30, 2011

We support the application of Kaiser Permanente to the Employment Training Panel to support training for our members at the Southern California Permanente Medical Group.

Sincerely,

Valcry Robinson
USW Local 7600
Work Force Development
909-202-0141 cell
909-427-6188 office
4 April 2011

State of California Employment Training Panel
1100 J Street 4th Floor
Sacramento, CA 95814

To Whom This May Concern:

OPEIU, Local 30 has been working with Kaiser Permanente on several projects in the past few years on various training programs within the San Diego and Southern California areas. OPEIU Local 30 supports the application of Kaiser Permanente to the Employment Training Panel to help support training for our members at the Southern California Permanente Medical Group.

Should you require any additional information regarding our support for and participation in this project, please call me at 619-640-4840.

Sincerely,

MaryEllen Farrell
Director of Field Services