

MINUTES OF THE STATE PERSONNEL BOARD
October 10, 2014 – Special Meeting
Charleston, West Virginia

The State Personnel Board held a special meeting on October 10, 2014 at 1:30 p.m. to consider the matter of the Department of Health and Human Resources' proposal #2668. Present at the meeting: Chairman Jason Pizatella (effective October 1, 2014, Mr. Pizatella became the Chairman, replacing Ross Taylor); Board Members Eugene Stump, Mark Carbone, Elizabeth Walker and Sharon Lynch participated by telephone. Others in attendance were: Gordon Simmons, UE Local 170; Warren Keefer, Monica Robinson, Karen Villanueva-Matkovich, Tara Buckner and Vickie Jones, Department of Health and Human Resources; Dan Greear and Karen Thornton, Attorney General's Office; Bob Paulson, Department of Administration; and Lydia Nuzum, Charleston Newspapers. Division of Personnel staff members attending were: Sara Walker, Director; Lynn Schillings; Becky White; Lisa Collins; Teresa Morgan; Joe Thomas; Mary Jane Ayoob; Bruce Cottrill; Mike Campbell; and Drema Gibson, Board Secretary.

CONSIDERATION OF PROPOSAL

2668 DHHR – Bureau for Behavioral Health and Health Facilities

Upon motion of Ms. Lynch and seconded by Mr. Carbone, the State Personnel Board approved the Department of Health and Human Resources – Bureau for Behavioral Health and Health Facilities' proposal (SPB #2668) regarding the implementation of recruitment and retention incentives as well as special hiring rates for direct care employees of Mildred Mitchell-Bateman and William R. Sharpe Hospitals. This proposal was presented by Bruce Cottrill, Division of Personnel, and Monica Robinson, Interim Director, Office for Human Resources Management for the Department of Health and Human Resources. This proposal was previously tabled at the September 16, 2014 regular meeting of the State Personnel Board in order to allow the Division of Personnel to complete the survey of prevailing market wages in the respective market areas of the two hospitals. The details of this proposal as presented by Ms. Robinson are stated in the attached letter dated October 10, 2014, signed by Ms. Robinson and Warren Keefer. This letter was read in its entirety before this Board.

OTHER BUSINESS

None.

NEXT BOARD MEETING

The next regular meeting of the State Personnel Board is scheduled for Tuesday, October 21, 2014, at 1:00 p.m. in Building 6, Room 425, State Capitol Complex, Charleston, West Virginia.



Jason C. Pizatella, Chairman
State Personnel Board



Secretary
State Personnel Board



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES
OFFICE OF HUMAN RESOURCES MANAGEMENT
EMPLOYMENT LITIGATION UNIT
ONE DAVIS SQUARE – SUITE 400
CHARLESTON, WV 25301

Earl Ray Tomblin
Governor

Karen L. Bowling
Cabinet Secretary

October 10, 2014

VIA – HAND DELIVERY

Dear Cabinet Secretary Pizatella:

The Office for Human Resources Management (OHRM) and the Bureau for Behavioral Health and Health Facilities (BHBF) with the West Virginia Department of Health and Human Resources (DHHR) present the proposal submitted on August 11, 2014, pursuant an order issued by Kanawha County Circuit Court Judge Bloom on August 1, 2014. The court ordered proposal consists of the following:

- Conduct a market study relating to total compensation packages of Health Service Trainees, Health Service Workers, Health Service Assistants, Licensed Practical Nurses, Nurse I, Nurse II, Nurse III, Nurse IV, Nurse Director I, Nurse Director II, Physician Specialist (Psychiatrist) and Nurse Practitioners at William R. Sharpe Jr. Hospital and Mildred Mitchell-Bateman Hospital pursuant to the following criteria:
 - i. Hospitals with 100 beds or more
 - ii. 50 mile radius of Bateman
 - iii. 75 mile radius of Sharpe
- Bring current wages within those categories to market rate
- Establish the market rate from the study as the new hiring rate moving forward
- Conduct a new market study every year with necessary salary increases to be implemented the next fiscal year
- Provide a Retention Incentive every 3 years of 3% for persons who have been in a classification for 3 years or more.

The Division of Personnel (DOP) conducted the requested market study using information available to the public in a database called YODA maintained by the West Virginia Health Care Authority (HCA). The database contained salary and wage and benefit information for Nurses, Health Service Workers, Licensed Practical Nurses, Director of Nursing, and Nurse Practitioners for in-state hospitals. The Psychiatrist information was taken from the Bureau for Labor Standards (BLS) as an average salary for psychiatrists in West Virginia because the YODA information contained all physicians, including cardiologists, neurologists, ER physicians, etc. The YODA information was also not broken down between degrees of nurses, health service

workers or directors of nursing similar to DOP classifications. For out-of-state hospitals, letters were sent out requesting the compensation information and follow-up telephone calls were made. Some of the out-of-state hospitals responded with information and others did not.

Upon receipt of DOP's market study, the office of the Chief Financial Officer for DHHR compared the market study rates to the salaries of approximately 450 applicable Sharpe and Bateman employees. Adjustments were made for the classifications of nurses, health service workers, and nurse directors. Specifically, the classification of Nurse III was established as the new market rate. Then 7% was added to determine the market rate for Nurse IV consistent with moving up a pay grade within DOP's Pay Plan Implementation policy. Similarly, 7% was deducted from the Nurse III market rate to determine market rate for a Nurse II and 7% was deducted from the Nurse II market rate to determine the market rate for a Nurse I.

Nurse Directors and Health Service Workers were given the same treatment. The Nurse Director II was established as the new market rate and 12% (2 pay grades) was deducted to determine the rate for Nurse Director I. The Health Service Worker was established as the new market rate and 7% was added to determine the Health Service Assistant rate and 7% was deducted to determine new rate for the Health Service Trainee.

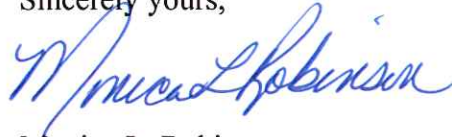
Previously, the DOP recommended that where the market rates established under the proposal exceed the market rates set forth in the West Virginia Division of Personnel Schedule of Salary Grades 2-6, then DHHR should send a letter to the Director of DOP requesting a hiring rate above the market rate. With this in mind, DHHR will need to petition new hiring rates for Nurse classifications, the Nurse Director classifications, and the Nurse Practitioner. Further, the new rates for the Nurse Director I and II and the Nurse Practitioner are over the maximum established on the schedule of salary grades which DOP cannot approve. Consequently, DHHR requests that those salaries be increased to the maximum amount and DHHR will work with DOP to determine how to bring those positions up to the new market rate to be in compliance with the court order.

OHRM and DHHR have set an internal deadline to establish new hiring rates by November 1, 2014, and to process the salary increases and retention incentive by January 1, 2015. However, OHRM and DHHR do not have control over the additional actions required to be taken by other agencies involved in the implementation of the salary increases and retention incentive and cannot guarantee a date for these actions.

As stated below, DHHR is certifying that the BHHF has the funds available to pay for the proposed pay increases for this fiscal year. DHHR cannot guarantee available funding for the future and would be required to appear before the State Personnel Board periodically for approval as stated in the court ordered proposal. Please note that DHHR does not have specific funds set aside for the salary increases and funds used to pay for the proposed pay increases will affect other programs and services within DHHR. To provide funding for the proposed pay increases, DHHR would have to transfer the positions to a special revenue fund which involves the operations of the facilities and will directly impact the facility programs and services. It is anticipated that if the plan is successful in recruiting new employees, some amount of savings may be realized by BHHF in the amount spent on contract workers. Accordingly, it is anticipated that funding for some of the positions involved in this plan may be moved to the special revenue account which is responsible for the payment of the contract workers. If, however, the plan does not result in the savings in contract workers anticipated, BHHF may either have to seek additional funding or experience shortfalls in its hospital operations budget.

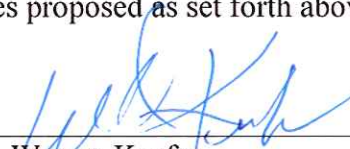
Thank you for your consideration. DHHR asks that a copy of this letter be made part of the official meeting minutes of the October 10, 2014, State Personnel Board Special Meeting. If you require any additional information, please do not hesitate to contact me.

Sincerely yours,



Monica L. Robinson
Interim Director of OHRM

I, Warren Keefer, in my role as Chief Operations Officer of the West Virginia Department of Health and Human Resources, hereby certify that the Bureau for Behavioral Health and Health Facilities has the funds available to pay for the pay increases proposed as set forth above.



Warren Keefer