

IAM/Alaska Airlines HMO ARBITRATION UPDATE



09/26/2017

Brothers and Sisters,

Alaska has at this point paid out most of the 1.3 million dollars it owes to eligible employees as a result of the IAM's successful arbitration regarding HMO coverage. Not surprisingly, because the arbitration covered hundreds of employees and a time frame going back ten years, several questions and issues came to the IAM's attention regarding payments and eligibility during the payment process. These questions were taken up with the company, through counsel when needed, and have resulted in two updates which are generally applicable.

First, we discovered that many employees who participated in the Kaiser South HMO in 2014 had been mistakenly excluded from reimbursement for that year. Alaska has agreed that this was in error, and in the near future should be paying an additional \$83,000 in payments to eligible employees for 2014.

A second correction has been made regarding the payment schedule for the years 2007 – 2013. The payment amounts for these years were in "Schedule A" to the Arbitrator's Order. After the Order was entered, the parties determined that through an administrative error the original Schedule A contained incorrect figures: the amounts for each year were essentially 10% too high, except for the full-time employee

coverage amount in 2011, which was too low. The IAM and Alaska jointly asked the Arbitrator to correct Schedule A, which was done in the Order you can read through the link below. The 10% reduction had already been taken into account by Alaska when it issued checks; the 2011 increase was made in an additional payment.

With the upcoming payments for 2014, we believe all of the expected payments by Alaska will be complete. Any dispute over individual eligibility, reimbursement calculations, or payments under the Award may be made through a written protest, with evidence, to Alaska's Health Benefits and Medical Relations Department up to 90 days after receipt of a reimbursement payment.

Fraternally,



Dave Supplee

**PRESIDENT & DIRECTING
GENERAL CHAIR**

Order With Corrected Schedule A

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