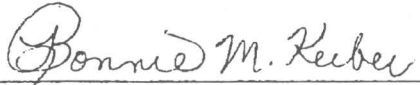


MEMORANDUM OF UNDERSTANDING

The following constitutes an agreement between the Department of Veterans Affairs, Veterans Health Administration (VHA) and the American Federation of Government Employees, AFL-CIO, National Veterans Affairs Council #53 (NVAC) regarding VHA Directive 2003-047 dated August 14, 2003 entitled "Transitional Pharmacy Benefit."

1. The national parties agree that bargaining unit employees will not be held responsible for using a non-VA physician on DHHS Exclusion List prior to that non-VA physician being added to the list.
2. The Department will provide bargaining unit employees with the necessary training to perform their required duties in accordance with Article 34, Section 4 of the VA/AFGE Master Agreement dated March 21, 1997.
3. The parties agree that any changes to bargaining unit employee(s) performance standards will be in accordance with Article 26, Section 2 of the VA/AFGE Master Agreement.
4. Management shall provide the Chair of the NVAC Mid-Term Bargaining Committee with an electronic copy and all studies to determine the effect of this program on the productivity of all affected bargaining unit employees.
5. Local parties may negotiate further on this subject so long as they do not conflict, change, interfere with or impair the implementation of this MOU and VA/AFGE Master Agreement.
6. The appropriate management official shall provide a copy of this MOU to the National and Local union officials at their facility upon receipt of this MOU.


For Veterans Health Administration, (VHA)


For AFGE, National VA Council #53

9/29/03
Date