



Three Alliance Unions Announce their Intent to Strike

Three Alliance Unions took the historic step of announcing an open-ended strike in the Southern California and Northwest Kaiser Permanente regions. The bargaining units cover 32,000 Kaiser Permanente healthcare workers. Under labor law, unions in the healthcare industry must provide a ten-day notice of the intent to strike, which means that a strike can occur no earlier than November 15th.

UFCW Local 7 members are covered by active union contracts, which contain no-strike clauses, which will not expire until the spring of 2022.

UFCW Local 7 and ten other UFCW local contracts across country are a member of the Alliance of Health Care Unions and are bargaining a National Agreement with the other Alliance Unions.

For more information please visit the Alliance of Health Care Unions website.

Bargaining Update

Over the last several weeks we have continued to meet with the Company to negotiate the labor contracts. We intend to continue to do so, even though strike notices have been issued. We are likely to continue negotiating through the weekend and into next week.

The parties remain far apart on major items, one of which is wages.

The Company's latest offer doubles down on two-tier proposal to reduce wages for future hires worsening the staffing crisis and harming patient care.

We have made it clear there is no acceptable contract that includes a two-tier wage system. Nevertheless, KP's proposal ties a 2% lump-sum bonus for the third and fourth year to a two-tier wage scale. At bargaining on November 2, 2021, KP made a new economic proposal for a four-year national contract:

- 2% ATB each year
- 2% Lump sums Year 1 and Year 2 of the contract
- 2% Lump sums Year 3 and Year 4 ***only if the Alliance agrees to a two-tier lower wage scale.***
- KP continues not to resolve important union priorities like staffing, wage justice, local bargaining issues, fair first contracts, and others.

Details on Company's Two Tier Proposal. Under KP's new proposal, if union members don't agree to a two-tier wage proposal that reduces the top of the wage scale to no more than 10% "above the market median" in 2023, KP will unilaterally reduce the current wage rate by 15% for ALL jobs for future hires. This would ensure that KP starting rates are below the market median, and that even top rates would be just slightly above the median. In Colorado, this would mean up to a 46% reduction in some classifications, meaning workers hired in or after 2023 would make and top-out at substantially lower wages than their recently hired colleagues.

In light of historic labor shortages and half of a million health care workers leaving the profession, and the sacrifices of the past 20 months, KP's new proposal remains unacceptable. And similar to Kaiser's first offer, it will only make it more difficult to attract and retain high-quality staff and worsen short staffing and patient care.

The Taskforce. While we have been receptive to the idea of a task force – and even proposed it first – that would address key issues around competitiveness, quality, scope of work, etc., the company's proposed task force equates to a ***"heads we win, tails you lose" proposition.***

- KP proposed a task force to work on a "market" study of Alliance jobs with the stated purpose of paying new hires no more than 10% above the market median at the top of their wage scale. The proposal claims the task force would work in "partnership" but KP's framework for the task force is the opposite of partnership. If the task force does not agree upon or does not implement a wage-reduction plan by July 2023, KP will unilaterally reduce the current wage rate for all job classifications by 15% for all future hires.
- KP's proposed joint task force would focus solely on reducing our wages and implementing a two-tier scale. There is no mandate to look at other ways to save money and improve patient care. There is NO MENTION of looking at any union operational suggestions as part of these efforts to reduce costs. They only want to "partner" with us on reducing the living standards of Alliance-represented union members. We should be working together to improve patient access, provide adequate staffing for patient needs, save money by increasing advanced practice providers, implementing other key measures to bend the cost trend and provide better service, and more.

Local Bargaining. We have continued to make it clear that key topics of importance remain on the table regarding local bargaining, and that these topics must be addressed to reach a contract settlement.

We will provide updates as the situation develops.

Thank you for your continued commitment to the Colorado community, and for assuring our members get the care they deserve despite the Company's misguided actions.

In unity,

Nate Bernstein

Director - Healthcare Division

UFCW Local 7

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