

## NATIONAL NEGOTIATIONS OPEN MARCH 6-8

**Nearly 400 members** of the Common Issues Committee, observers from the unions, managers, staff and facilitators gathered March 6 in Los Angeles to kick-off negotiations for a new National Agreement. This is the fifth round of national bargaining since the Labor Management Partnership was created in 1997. These talks are likely to be the largest labor contract talks in the United States this year.

Fundamental to these negotiations is interest-based bargaining, which is significantly different from traditional contract negotiations. “Because we take the time to understand each others’ interests, we have much better outcomes in the end,” said Bernard Tyson, KP president and chief operating officer.

John August, executive director of the Coalition of Kaiser Permanente Unions, and Dennis Dabney, senior vice president of national labor relations, opened the session Tuesday afternoon. August said, “If everyone in this country practiced health care with the knowledge and innovation of Kaiser Permanente, and if workers had the opportunity to participate in the workplace with the level of engagement we have, this would be a different country.”

The bulk of this week’s session was spent in training on the interest-based bargaining

process, but the meetings opened with a half-day of kick-off presentations by leaders from both Kaiser Permanente and the Coalition Unions.

Stressing the importance of affordability to ensure we remain competitive, Artie Southam, MD, executive vice president, health plan operations, gave an overview of KP strategy, care and quality performance, and financial results and challenges. He explained that the marketplace is changing, costs are going up and we need to ensure a sustainable path forward—not only to ensure job security and a good compensation package for our employees, but to ensure affordable health care for our members.

Southam said that continued focus on quality, service and affordability will have an impact on membership growth, job creation at KP and the organization’s ongoing security.

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“Health care is absolutely unaffordable. Our country spends almost \$3 trillion a year, yet our life expectancy is one of the lowest,” said Tyson. “We can present a real-life case study on how to do better. The LMP is one of the most incredible assets we’ve built...We can’t reform just insurance, we have to reform care delivery.”

“Health care is unaffordable and government reimbursements are going down,” agreed John August.

August presented the latest economic data on the tremendous challenges facing working families in the United States. By presenting the real-life challenges and aspirations of several typical union members, he demonstrated that even though KP jobs are the best in the industry, workers still face the same daunting challenges as every other worker in America: loss of home equity (or worse, foreclosure), high unemployment among family members, dependents and extended family to support, high levels of debt, high cost of living, and loss of retirement savings due to stock market declines and early withdrawals made to survive.

More than three-quarters of Coalition union members have at least one dependent, and a third of us are single parents. The median income of Coalition members is a relatively modest \$50,998—compared to a national median household income of \$49,455. August said that Coalition Union members’ retirement benefits, while they are industry-leading, are still relatively modest compared to the costs of actual retirement.

Dave Regan, president of SEIU-UHW, had another take on the challenges facing workers and the country. “We know these are the best health care jobs in America,” he said of KP’s union jobs, “and we intend to keep these the best jobs.”

To do that, Regan said, we need to address the growing epidemic of chronic disease. “If current trends continue, by the year 2021, 15 percent of Americans will have diabetes; one-third of our population will be pre-diabetic.” The costs—in human and financial terms—would be catastrophic, but he said, are avoidable. He suggested a joint campaign of Total Health will improve the health of workers and communities and to help reduce the growing cost of care.

August and Regan explained that Coalition Unions are totally committed to making health care more affordable—but not at the expense of workers. “Our choice is stark—chop or improve,” August quoted Don Berwick, former head of Centers for Medicare and Medicaid Services. “We choose improve.”

“Let’s build the next level of partnership, and show the American people how workers in a principled company can create value and affordability,” said Regan.

Speaking candidly about the challenges facing the organization, Tyson said that while there are several challenges to address during these negotiations, “I am absolutely confident that we will be able to solve these problems together.”

More info on bargaining [www.bargaining2012.org](http://www.bargaining2012.org).  
More info on LMP [www.Impartnership.org](http://www.Impartnership.org).

## OUR UNION COALITION STRATEGY

- 1. Improve quality, service, safety and efficiency while preserving best place to work;**
- 2. Grow KP to protect our model of care, our unions and our jobs,**
- 3. Improve the health of our workforce, and**
- 4. Improve the health of our communities.**