



August 2, 2019

***An important message from Ron Vance, President,
Kaiser Foundation Health Plan of Colorado***

Over the last few weeks, Kaiser Permanente and the Coalition of Kaiser Permanente Unions have been working together toward a mutually beneficial national agreement, as we have done for decades. Unfortunately, for the first time in the 22-year history of our Labor Management Partnership, we have so far been unable to reach an agreement around wages and benefits at the small economics subgroup.

We are disappointed in where we are and yet we are clear that we shouldn't tear one another down but work together in a collaborative fashion to resolve our differences and finalize an agreement. While we've kept a number of options open, our most recent proposal was presented to the Coalition on Friday, July 26. We are concerned and do not agree with how our latest proposal is being mischaracterized. We would like to share it with you here.

Market-competitive wages across the board

We are committed to all employees at Kaiser Permanente receiving market competitive wages. Our current proposal for Coalition-represented employees in Colorado includes increases of 1% across the board in 2019, and 2% each year from 2020 through 2022.

Continued Market Leading Benefits

- **Retiree Medical Health Reimbursement Account:** In response to the Coalition's proposal, we have offered an increase to the HRA to \$2,500 for each year of service beginning in 2021 with an agreement to eliminate the premium subsidy for new hires.
- **Active Medical Benefits:** Working together, we've found a way to maintain **the existing office visit copayment** for you and your family by agreeing to incentivize use of the mail-order pharmacy.

Local bargaining

Local bargaining continues at local tables with no issues having been escalated to the national table.

Workforce of the Future

Working side by side with the Coalition, we created a one-of-a-kind opportunity to participate in addressing the national shortage of health care workers and helping develop the next generation of unionized workers in health care. We have agreed to create new-hire training positions for certain roles and are dedicating **\$40 million** to a **Workforce Development Fund**. Newly trained workers will join our workforce in preliminary steps while they learn on the job, culminating in employment at Step 1 of our pay scales. This is not a two-tiered system, rather it is a process to allow newly trained health care staff to receive the additional training and experience needed to qualify for employment.

Please see the enclosed flyer for more details about our proposal. You can find more information about Coalition bargaining at kp.org/labor.

We have made strong progress on our regional transformation thanks to the hard work and dedication of all our physicians and employees, including those represented by Local 105. Together, we are changing our culture, improving operations, and developing a long-term strategy that will ensure we are here to serve the people of Colorado for many years to come. As we celebrate our 50th anniversary, we are leading a bold new vision for health care in Colorado focused on convenience, innovation, and affordability. We've proven that by working together, we can do amazing things!

Our history — and our future — are deeply connected to organized labor. We remain committed to working together for the members and communities that rely on us. We look forward to bringing this negotiation to a successful resolution soon.