

A STRONG OFFER THAT PUTS PATIENTS AND EMPLOYEES FIRST

Kaiser Permanente is currently facing the prospect of a strike by the Alliance of Health Care Unions, which represents nearly 61,000 of our dedicated employees. At the heart of this dispute is a conversation about wages—a conversation we have engaged in earnestly and in good faith for months.

From the outset of negotiations, we have recognized the hard work of our employees, and we have responded with a strong, comprehensive proposal that will provide immediate benefits to them.

We take pride in our collaborative history with labor unions, and we value the essential contributions of every member of our team. That's why today our Alliance union-represented employees already earn, on average, 16% more than their peers elsewhere.

Our latest offer increases their already above-market wages by an additional 21.5% over the four-year contract. The offer also enhances employees' high-value medical plans and retiree benefits—benefits that have long made Kaiser Permanente an employer of choice.

At a time when health care costs continue to rise, the Alliance began bargaining seeking a wage increase totaling 38% over 4 years and is currently demanding 25%. This would dramatically increase the current \$6.3 billion annual payroll for this group of nearly 61,000 employees, and will lead to further rate increases for Kaiser Permanente members and customers. It also has the potential to have serious market implications everywhere we serve.

We remain committed to reaching a resolution that rewards our employees for their service—without compromising the quality or affordability of care.

The 21.5% increase Kaiser Permanente has on the table already increases the annual payroll to this group by close to \$2.0 billion in total by 2029. To support this offer, we are expanding our work to reduce our internal costs and optimize operations. Anything beyond the 21.5% will translate to additional rate increases for Kaiser Permanente members and customers.

A strike is unnecessary when a generous offer is on the table. It is designed to disrupt the lives of our patients—the very people we are all here to serve. Regardless of what comes next, our hospitals and medical offices will remain open, and we are fully prepared to continue providing the care you rely on.

We're committed to reaching an agreement that honors our employees, protects our patients, and upholds the values that have defined Kaiser Permanente for generations, while supporting our mission: to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve.

For more information, visit kp.org/labor