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85,000 Kaiser Workers Prepare for the Largest U.S. Strike in More Than Two Decades as Contract Talks Stall

LOS ANGELES – More than 85,000 Kaiser Permanente workers are making preparations for a national strike to begin this fall as contract talks between the workers and the giant, non-profit healthcare corporation broke off Thursday without an agreement.

The workers are from multiple unions in California, Oregon, Washington, Colorado, Maryland, Virginia, Hawaii and the District of Columbia. Beginning in late July and continuing into August, union members will be voting to authorize their bargaining team to call the unfair labor practice strike. It would be the largest strike in the U.S. since the 1997 Teamsters strike at UPS.

“While we have been providing care 24/7, holding the hands of sick and frightened patients and making sure they are safe and get the treatment they need, Kaiser has been focused on racking up multi-billion-dollar profits and paying executives exorbitant, million-dollar salaries,” said Ida Prophet, an LVN at Kaiser South Sacramento in California. “This is a non-profit company that has lost its way and is acting more like a typical for-profit corporation, where only a few at the top truly thrive.”

The 85,000 workers, who are members of the Coalition of Kaiser Permanente Unions (CKPU – see list of unions below) say they will call the unfair labor practice strike unless Kaiser begins to bargain in good faith. In negotiations the coalition is fighting to:

1. Restore a true worker-management partnership.
2. Ensure safe staffing and compassionate use of technology.
3. Build the workforce of the future to deal with major projected shortages of licensed and accredited staff in the coming years.
4. Protect middle-class jobs with wages and benefits that can support families.

Kaiser workers also are demanding the company adhere to basic financial transparency so consumers can make smart choices about their healthcare, lawmakers and regulators can do strict oversight of Kaiser’s operations, and employers and unions have the real-time information they need to negotiate better healthcare rates. Transparency must include reporting of executive compensation, prices, and profit figures across Kaiser’s hospitals and for-profit medical groups.

“Kaiser is one of the largest healthcare providers and insurers in the nation, but in many places it has gotten exemptions from the kind of reporting requirements that other health-related corporations must follow,” said Walter Allen, CKPU executive director. “Their ability to operate in the shadows allows them to avoid the kind of scrutiny consumers, employers, unions and regulators need to protect the public.”

Kaiser is massive despite being a non-profit. If it were eligible, Kaiser would be 34th on the 2018 Fortune 500 revenue-based ranking of public and private corporations. This puts it ahead of mega-corporations like IBM, Dell, HP, Freddie Mac, Morgan Stanley, Goldman Sachs, American Express, Aetna, PepsiCo, Coca-Cola, Disney, Lockheed Martin and Nike.

As a non-profit, Kaiser is supposed to directly serve the public interest in exchange for billions in tax breaks. But in recent years, Kaiser has departed from its non-profit mission:

Finances

- More than *\$9 billion* in profits since January 2017, including \$3.2 billion in the first quarter of 2019 alone.
- \$31.5 billion in reserves, more than the budgets of Los Angeles, Denver, Portland, Baltimore and Seattle *combined*.

Executive Pay

- More than \$1 million annually for 36 of its executives.
- Raises of 166 percent over three years for its CEO, boosting his salary to \$16 million in 2017, the last year for which data are available.

Failure to Serve Low-Income Patients

- While Medicaid provides healthcare for 21 percent of Americans, Kaiser’s Medicaid patient volume is less than a third that amount.
- In California, by far its largest state, only 8 percent of Kaiser hospital patients are covered by Medicaid, compared to an average of 27 percent at other non-profit hospitals.
- Eighteen of the 25 hospitals in California with the lowest percentage of Medicaid inpatients are Kaiser hospitals.

Attacks on Kaiser workers

- Kaiser has undercut the largest and most successful labor-management partnership in the country, after years of using it to build morale, solve problems and improve care.
- It is outsourcing long-time employees to companies that pay less and offer few benefits.
- It wants to reduce pay increases for frontline hospital workers and undercut their health benefits and job security.
- It is refusing to bargain in good faith.

The CKPU’s national agreement with Kaiser Permanente expired Sept. 30, 2018.

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The Coalition of Kaiser Permanente is composed of the following unions:

- *International Federation of Professional and Technical Engineers (IFPTE) Local 20*
- *Office and Professional Employees International Union (OPEIU) Local 2*
- *Office and Professional Employees International Union (OPEIU) Local 8*
- *Office and Professional Employees International Union (OPEIU) Local 29*
- *Office and Professional Employees International Union (OPEIU) Local 30*
- *Office and Professional Employees International Union (OPEIU) Local 50/Hawaii Nurses Association*
- *Service Employees International Union–United Healthcare Workers West (SEIU-UHW)*
- *Service Employees International Union (SEIU) Local 49*
- *Service Employees International Union (SEIU) Local 121RN*
- *Service Employees International Union (SEIU) Local 10*
- *Service Employees International Union (SEIU) 1199N.*