

2021 Alliance National Bargaining – Tentative Agreement

Subcommittee: Economics

Affordability and competitiveness task force:

Within 30 days of ratification, the Alliance and KP agree to form a national, high level task force to explore issues of affordability, market position, and competition affecting the future of KP in each of its markets.

Mission: The mission of this work is to ensure sustainability and prosperity (superior organizational performance) in each market/sub-market, and to leverage the skills, knowledge, and abilities of frontline employees, managers, union leaders and stakeholders. The task force will reach a common understanding among labor and management leaders on the challenges and opportunities facing Kaiser Permanente and identify cost saving and efficiency opportunities.

Structure and resources: The Executive Director of the Alliance, the CHRO of the Health Plan, and the COO of the Permanente Federation will be the executive sponsors of this work.

The task force will consist of five team members each from the Alliance and KP. The task force will meet at least monthly during the term of the National Agreement. The national task force will provide sponsorship and accountability for the establishment affordability and competitiveness task forces by the Alliance and Kaiser Permanente in each market.

The parties agree to support this task force with staff, data analysts, communications, and executive sponsorship. Facilitation will be provided through the LMP trust. Analysis, data collection and review will be undertaken jointly, using a partnership interest-based approach and full transparency of relevant data.

Action Steps

The task force will commission a market wage survey to be completed by July 1, 2022, by a neutral third-party consultant for use by the task force. The parties will jointly agree upon the parameters and comparators to be used in the study.

The task force will explore issues of affordability, market position, and competition affecting the future of KP in each of its markets and submarkets. To that end, the task force will jointly assess:

- * How to define markets and submarkets.
- * KP's competitive position within each market and submarket in which it operates in sustainability, price position/affordability, cost structure, operating margin, quality, service, and other factors.
- * Important metrics of KP success: growth and membership retention, operating margin, rate position, payor mix, care equity, employee experience, access to care, member experience, brand reputation, magnet status, and employee recruitment and workforce needs.

The task force will consider ways to promote KP's success and affordability such as:

- * Using the right person for the right work
- * Innovative models of care

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- * Improved integration
- * Expense reduction
- * Becoming more nimble
- * Attendance
- * Innovation in Partnership
- * Automation and technology
- * Engaging unions to promote KP growth
- * Recruitment, retention, and compensation

Recommendations to address competitiveness and related issues proposed by labor or management will be evaluated by the task force in partnership.

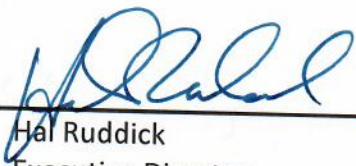
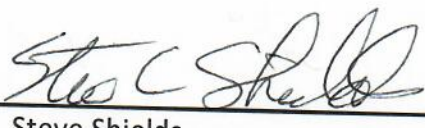
The task force will identify cost savings initiatives which can be implemented in order to meet the affordability goal under the Alliance PSP.

Any action taken as a result of the Task Force analysis recommendations will be by mutual agreement, and findings of fact and recommendations may also be referred to the next round of national bargaining.

Communication and Education

The parties will partner in creating joint messaging featuring labor and management leaders and front-line staff to educate on issues of competitiveness, affordability, and sustainability. The parties will collaborate to ensure that information spreads to the front-line including UBT's and other forums for educating and engaging front-line employees in identifying improvement and cost savings initiatives.

Agreed:

	11/13/2021		11/13/2021
Hal Ruddick	Date	Steve Shields	Date
Executive Director		Senior Vice President	
Alliance of Health Care		National Labor Relations, Kaiser	
Unions		Permanente	