

LABOR NEGOTIATION NEWS



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Swedish Offers New Package with Higher Wage Increases, \$0 Premium Medical Plan, Improved Short-Term Disability and No Expiration of Accrued Sick Leave

The bargaining team for Swedish Medical Center and Swedish Edmonds brought a new package of proposals to its December 30 bargaining session with SEIU 1199NW that offers significant enhancements in wages and benefits, including higher annual wage increases, zero-dollar PPO premiums for full-time caregivers – and their covered family members – who make up to \$60,000 in income **from Swedish**, an improved short-term disability benefit that provides 100% of pay for the first 8 weeks of a caregiver's own illness or injury (after a 7-calendar day waiting period), and unlimited runout of accrued sick leave for current caregivers, regardless of length of service. Additional highlights include:

- SEIU members would receive a total 5.5% pay increase by July 1, 2020, which includes a 3% across the board wage increase upon ratification of a new contract and an additional 2.5% increase in July 2020
- \$750 ratification bonus (prorated for those below 0.9 FTE)
- New opportunity to earn additional quality and patient care incentives:
 - 0.5% incentive in July 2020
 - 1% incentive opportunity in July 2021 and July 2022
- Full-time caregivers (0.75 to 1.0 FTE) who make up to \$60,000 in income **from Swedish** will receive the PPO medical plan with \$0 premiums for themselves

and their family members, and an annual \$250 contribution to their flexible spending account to be used for out-of-pocket health expenses.

- Depending on who a caregiver covers, those eligible will save between \$850 to \$3,000 in annual payroll contributions, which will give them additional funds to offset out-of-pocket expenses
- Improvements to the proposed short-term disability benefit that coordinates with the new state benefit would provide 100% of pay for eight weeks and 66-2/3% of pay for up to 17 additional weeks with no drawdown of a caregiver's PTO, to ensure caregivers have six months of income protection in the event of their own illness or injury. The previous proposal included a new short-term disability benefit that provides 65% of pay (after a 7-calendar day waiting period)
- Partnership with SEIU to create a joint task force focused on recruitment strategies to fill current vacancies and career opportunities for current caregivers to increase their skills
- Hiring of a Chief Diversity Officer, with a caregiver selected by SEIU involved in the hiring process
- Paid time to meet with CNOs to work through remaining contract items
- A new back-up child and elder care benefit administered by Bright Horizons
- Addition of case-management social workers to the technical caregivers' contract

Altogether, the new package of proposals that Swedish brought to the bargaining table today demonstrates a strong commitment to our caregivers, to recruiting and retaining additional well-qualified candidates to fill open positions, and to settling the contract negotiations at the table. Throughout the bargaining process, we have listened to the concerns of our caregivers. This new package reflects our sincere effort to address those concerns, and it provides our caregivers with wages and benefits that make Swedish a leader among health care employers in this market. Below are more details about the major elements of Swedish's new package of proposals.

Wage Increases

The new proposal further improves our offer on annual wage increases to levels that are equivalent to or better than agreements that SEIU recently settled in this market with Kaiser, Harborview and Valley. Here is a comparison:

	Swedish proposal	Harborview	Valley	Kaiser
Year 1	3.0%	2.0%	3.0%	3.0%
Year 2	2.5+0.5% incentive	2.0%	3.0%	2.0+1% bonus
Year 3	2.0+ 1% incentive	--	2.5%	2.0+1% bonus
Year 4	2.0+ 1% incentive	--	2.75%	2.0+1% bonus

In addition to the 3% across-the-board wage increase upon ratification, caregivers will receive a \$750 ratification bonus (prorated for those below 0.9 FTE). In the following years, Swedish has added an annual incentive opportunity that is dependent on Swedish achieving quality and patient care metrics that would be mutually agreed upon with SEIU.

Medical Benefits

Swedish already offers one of the most affordable medical plans among employers in this market. Our new proposal would go even further by eliminating the premium (or monthly payroll contribution) for the PPO plan for full-time caregivers who earn up to \$60,000 in Swedish income per year. In addition, these caregivers would receive an annual \$250 contribution from Swedish in their flexible spending account (FSA) to offset out-of-pocket health expenses. Eligibility would be based on Swedish income only, **not** household income. Under our proposal, eligible caregivers would be able to cover themselves and their family members and pay no premiums – saving, on average, \$1,300 per year (excluding the Choose Well health incentive).

All other aspects of the medical benefits we have proposed would remain the same. Swedish will still offer the same three medical plan options – the Swedish PPO, HSA and Kaiser HMO – with no increases in premiums. In addition, Swedish will still offer its Medical Plan Assistance Program, which will provide \$0 premiums on the PPO plan for

full- and part-time caregivers with **household income** up to 250% of the Federal Poverty Level (FPL), which is currently \$64,375 for a family of four, and 50% of the premium for caregivers with **household income** up to 400% of the FPL, which is \$103,000 for a family of four.

Altogether, our medical plan proposal shows our continued commitment to keep health care coverage as affordable as possible for our caregivers and compares extremely well to other employers.

Time-off Benefits

Swedish remains committed to transitioning SEIU members from our current Annual Leave and Sick Leave benefit to a new time-off benefits program that includes paid time off (PTO) and a Swedish-provided short-term disability and paid parental leave benefit. PTO has become the standard time-off program within health care, but in response to concerns we have heard from the union we have modified our proposal in several respects. Our new proposal allows unlimited runout of accrued sick leave, regardless of years of service. This means that a caregiver's accrued sick leave would stay with them until it runs out or the caregiver leaves the organization. Unlike our previous proposal, there would be no expiration date for using accrued sick leave.

Importantly, Swedish's new proposal would also enhance the short-term disability benefit. Starting in 2021, Swedish will provide, in coordination with the new state benefit, 100% of a caregiver's salary for the first eight weeks of an illness or injury (after a seven-day waiting period). After those eight weeks, 66 2/3% (two-thirds) of a caregiver's pay would be covered for weeks nine through 25. Caregivers would also have the option to use accrued sick leave during weeks nine through 25 to "top-up" the two-thirds coverage to reach 100 percent of their pay. This new benefit provides caregivers much stronger income protection than they currently have in the event they have an illness or injury that prevents them from being able to work.

Staffing

Staffing is a top concern for both Swedish and the union and has been among the most important topics of discussion throughout contract negotiations. The significant shortage of qualified health care professionals has impacted Swedish, as it has impacted many health care providers around the country, and we currently have more than 900 open union-represented positions that we are trying to fill. SEIU's staffing proposal to add more than 2,000 RN and NAC FTEs is simply unrealistic, particularly when Swedish is already struggling to find qualified candidates to fill its hundreds of open positions.

Swedish is proposing instead to strengthen its partnership with SEIU to find innovative and effective solutions to recruit and retain qualified caregivers. Swedish currently contributes more than \$4 million a year to the SEIU-managed Training Fund to support caregivers in pursuing professional development. In previous proposals, we have offered additional measures, including:

- Establish a funded committee to explore unit-specific rest break solutions
- Evaluate solutions for caregivers on mandatory call, including hotel vouchers
- Create a new classification specifically for patient safety attendants
- Establish a \$25,000 Safety Resource Fund for committee members to travel and observe other health systems to identify best practices for workplace safety
- Establish a \$25,000 fund for frontline caregivers to travel to recruit

In addition to these previous proposals, we have added a new proposal to create a joint labor-management task force in partnership with SEIU and the Training Fund that would focus on building our current workforce through upskilling our current caregivers, building pathways to employment at Swedish and filling open positions.

Diversity and Inclusion

Diversity and inclusion have been a key topic throughout the bargaining process. Swedish and the union have a shared interest in ensuring that we offer a welcoming environment for all of our caregivers. We are excited to announce that Swedish

leadership and the Swedish board have committed to hiring a Chief Diversity Officer. We have proposed to SEIU that a caregiver chosen by the union participate in the interview and hiring process for this new position.

Swedish also recognizes that an inclusive workplace must take into account that caregivers have responsibilities at home that may include caring for children or aging family members. In response to an earlier proposal from the union, Swedish is proposing to offer a new back-up child and elder care benefit through Bright Horizons to support caregivers when regular care arrangements fall through, for up to 10 days per year. Caregivers can use a Bright Horizons center at a reduced rate (\$20 per child for the day) or in-home care for dependent adults, elders or up to three children (\$32 for up to four hours, \$8 each additional hour).

Proposed Bargaining Schedule on Safe Patient Care

To expedite the process of reaching an agreement both sides can support, Swedish has proposed a series of campus-based small-table sessions focused on safe patient care and one large-table bargaining session in January. Union bargaining team members would meet with our Chief Nursing Officers in these side-table sessions to actively problem-solve together on remaining contract items. Swedish proposes meeting nearly every day in January and has offered to pay up to 750 additional hours to cover the time of caregivers who participate in these sessions for the union if the vacation donation pools are not enough. The proposed schedule includes the following dates and locations:

January 7—Ballard

January 8—Issaquah

January 9—Edmonds

January 10—Edmonds

January 14—First Hill

January 15—First Hill

January 16—Cherry Hill

January 17—Cherry Hill

January 21—First Hill

January 22—EVS

January 23—Ballard/Issaquah

January 24—TBD

January 28—Main Table

Keeping You Informed

We are here to answer your questions and discuss the issues you care about. We welcome your questions by email at communications@swedish.org. Please also look to [Labor Negotiation News](#) for the latest updates after each bargaining session.

2019 Contract Negotiations Bargaining Team

Below is a list of members of the Swedish bargaining team, with each member identified by the contract s/he represents:

- Jan Flom, Director Nursing Services – Edmonds RN and Pro/Tech
- Julie Norman, Senior Manager Guest Services Cafeteria – Edmonds Pro/Tech
- Rhose Hipolito, Nurse Manager Surgical Telemetry Cherry Hill – SMC RN and Service
- Wendy Connors, Manager Emergency Department Ballard – SMC RN and Service
- Brian Trickel, Chief Nursing Officer Issaquah/Redmond – SMC RN, Service and Tech
- Marci Mann, Director Nursing Services Acute Care First Hill – SMC RN and Service

- Erika Watkinson, Nurse Manager Gyn Surgical First Hill – SMC RN and Service
- Sheri Love, Director Periop Services First Hill – SMC RN, Tech and Service
- Denise Dollar, Manager Respiratory Care Pulmonary Function – SMC Tech and Edmonds Pro/Tech
- Candi Johnson, Director Systems Nutrition Services – SMC Service
- Larisa Cummings, Director Patient Access Services – SMC Service
- Doug Green, Director Systems Environmental Services – SMC Service
- John Weir, Senior Manager Environmental Services Multi-Site – SMC Service
- Rose Van Wyk Coesens, Manager of the Breast Imaging Center Edmonds – Edmonds Pro/Tech
- Gwyn Anglin, Manager Medical Imaging Ballard – SMC Tech and Service
- Kristi Hester, Regional Senior Manager of Starbucks – SMC Service and EDM Pro/Tech
- Patrick Ahearne, Interim Chief Nursing Officer – Swedish Edmonds
- Shelley Livingston, Labor Relations Director
- Melissa Norwood, HR Director
- Dan Mueller, VP Senior Labor/Employment Counsel
- John Hauge, VP Senior Labor/Employment Counsel

If you have feedback for the team on contract changes you would like to see, please reach out to your bargaining team representative.