

TO: AHS Staff & Medical Staff

FROM: Delvecchio Finley, Chief Executive Officer

DATE: October 6, 2020

SUBJECT: AHS CEO Finley Statement to Board of Supervisors on Planned Strike

As we sit here today, less than 24 hours away from a five-day strike announced by unions representing many AHS workers, it is my sincere hope that we are engaged in dialogue designed to avert this strike and to focus on protecting the health and safety of our community. Throughout our negotiations with all of our labor unions, AHS has done our best to keep these deliberations at the bargaining table. However, both SEIU and CNA have ended these talks and are increasingly sharing AHS proposals publicly and often in ways that distort the actual proposals and the overall goals of the organization. Today, I will shed additional light on this situation in the hopes that all stakeholders can have a more balanced perspective.

1. The unions will/have told you biased statements about AHS treatment towards labor unions. Here are the relevant facts:
 - a. In its last negotiations with CNA, the AHS Board provided substantial raises well north of 5% per year in some cases, to bring nurses new to the system up to par with other nurses in the system who provided the same services.
 - b. Now, just yesterday, leaders in this same union told elected officials that AHS has offered no wage increases during the current negotiation. Simply not true. Despite economic hardships, AHS offered CNA a one-time retrospective 2.5% increase, no increase for the current year, and 2.5% per year for the next three years.
 - c. In an effort to avert this strike and to return to bargaining with a new team, the AHS Board offered SEIU increases of 3% per year for the next two years. SEIU rejected this offer and insisted on a full contract settlement that included outrageous demands such as conditioning their own agreement on AHS reaching agreement with two other labor unions.
2. Contrary to union assertions, AHS management and Board absolutely values its workforce and the sacrifices they have made to serve our community during this pandemic. Here are actions we've taken:
 - a. At a time when many other healthcare providers were begrudgingly conducting lay-offs, furloughs, and other tactics to address decreased volumes and revenues, the AHS Board insisted that there would be no pandemic-related layoffs.
 - b. Further, the AHS Board endorsed a management initiated effort to provide additional support to our workforce in the form of an ADDITIONAL 12 weeks of leave AT FULL PAY for any worker struggling to provide childcare or family-care due to economic hardships, school closures, loss of elder care support, etc. This benefit has cost the organization over \$11M additional dollars AND COUNTING.

3. Contrary to union assertions, the AHS Board and leadership is protecting our workforce and providing them with the PPE and supplies to stay safe during the pandemic
 - a. Joint County/Board investigations into claims proved false
 - b. Covid-19 Task Force weekly and now bi-weekly oversight
 - c. Weekly transparent dashboard for PPE shared with internal and external stakeholders
 - d. Number of AHS staff testing positive for COVID-19 is only 92 (or roughly 1.5%) of total workforce
 - e. State surveys in SNFs indicated AHS is meeting and exceeding standards
4. Contrary to union assertions, AHS is serious about fair bargaining and we are trustworthy.
 - a. AHS offered both unions the opportunity to engage an agreed upon mediator months ago (at the suggestion of one of the Supervisors). Both unions initially rejected, with one stating “if we wanted a mediator, we would have told you.”
 - b. The AHS Board announced to SEIU that they decided to contract with an outside negotiator, one that was highly recommended by a Supervisor. Yet three days later, SEIU still proceeded to announce their strike and to provide AHS with a 10-day notice.
 - c. CNA, having already declared impasse and entered into mediation with AHS, then abruptly and unilaterally declared an end to that process in order to join in a labor strike with SEIU.
 - d. Just yesterday, representatives from these unions indicated that this had nothing to do with the bargaining teams, confusing us and other elected officials in the discussion.
5. Contrary to the assertions of unions and others, AHS has been trying to balance the imperative to bargain with multiple unions and to foster progress notwithstanding sometimes competing interests.
 - a. Even before commencement of negotiations with SEIU and months before the last contract ended, AHS offered modest increases in exchange for some limited contract changes and SEIU declined.
 - b. Offered mediation to both unions months ago (as I stated earlier)
 - c. Offered a new bargaining team to SEIU before the strike vote ended and before a 10-day strike notice was issued (a strike that, mind you, members of the Board of Supervisors were alerted to before AHS Trustees or leadership were informed)
 - d. We were told, even as late as yesterday, that this was not about economics for the unions
 - i. One union requested increases of 8 percent. Like me, you probably thought that meant 8% over the life of the contract. No. Eight percent per year in the middle of a pandemic and economic crisis for an underfunded public hospital. Last week, that union offered to reduce that request from 8% to 6%, again per year.

6. Since I'd like to genuinely believe this dialogue is designed to be productive, you might be wondering what you, the Board of Supervisors, could do to help. Here are few ideas, none of which are mutually exclusive.
 - a. Since the unions insist on talking to you, please remind them that AHS is an underfunded, under-resourced public safety-net, that due to the nature of the financing construct between the County and AHS, owes the County north of \$100M to this day.
 - b. If this really isn't about wages/economics (as one Supervisor suggests), ask the unions to call off these strikes that have already cost AHS millions of dollars (approx. \$9M and counting) that the system cannot get back and to return to the negotiating or mediating table to continue bargaining in good faith.
 - c. Increase fiscal funding that allows AHS to reinvest in people, facilities, equipment, and technology (e.g. eliminate/raise debt limit, restructure pension cost allocation, release strategic capital and capital cost depreciation funding the County is holding)
 - d. Per the suggestion of the recent Civil Grand Jury report, you could partner with AHS leadership, its board, staff, and community stakeholders in meaningful discussion and decision-making about adding new services and yes occasionally reducing or eliminating existing services.
 - e. Implore the unions to stop maligning AHS trustees- dedicated, capable community stewards who offer untold hours to promote equity and high-quality care and whose only interest is to ensure that this County has an efficient and effective health care delivery system.
 - f. Promptly convene a transparent process of exploring options to change the governing structure of AHS (possibly returning it to the County) that involves the Trustees, union representatives, health plans, the community, and other stakeholders.

The AHS Board and leadership are trying to promote a level of population health for our community that offers everyone access to the highest quality of care possible and to do so at a cost that is sustainable for all the citizens and taxpayers in this great county. In order to achieve such a lofty but worthy goal, we must achieve a greater level of system integration for our workforce. Having 18 different bargaining units that represent employees with different staffing arrangements and working restrictions inhibits our ability to address some of the very challenges the unions themselves acknowledge. We know we can't solve all of these issues overnight, nor do we expect to do so. However, we do need to lay them out clearly and to partner with the County, the unions, and other stakeholders to begin to move in this progressive direction or we risk failing the very people we all purport to serve.

Labor negotiations are tough and difficult especially in challenging economic times. I submit that AHS has made some missteps. If the union were being honest, they would do the same. Nonetheless, a strike is egregious, unnecessary, harmful to our community, and does nothing to

advance our efforts to partner to ensure that we provide the best care possible to all, especially the indigent and underserved who have few choices if any.

AHS truly believes that it is within the power of SEIU and CNA to place the aligned best interest of the community and their members/our workforce first and call-off these strikes. We truly appreciate our dedicated doctors, nurses, housekeepers, engineers, food service workers, and other professionals who are choosing to continue to support our community during this ill-advised labor action. We are all facing unprecedented hardships with a global pandemic, wildfires and other natural/man-made disasters, and ongoing racial injustices literally suffocating and snuffing the lives out of our fellow citizens every day. I implore the unions to please call off these strikes and let's get back to trying to work together. If they should choose otherwise, I assure you that the AHS Board and AHS leadership will welcome them back in the hope and belief that we will move forward together.