



February 2023 Update

Regional Affordability and Competitiveness Task Forces

As you are aware, joint KP-Alliance task forces in each region have been asked to identify cost-savings, revenue, and growth initiatives that can achieve a recurring cost savings equal to 1.5% of the Alliance payroll in the region or service area. Savings from these projects will form the basis of the new affordability goal for the Alliance Performance Sharing Program for 2023 and beyond.

As members of the national task force, we want to acknowledge the vital contributions of these regional task forces. We recognize the passion and energy that each task force member brings to this work even as our organization is buffeted by the ongoing pandemic, staffing crisis, and health care market challenges; we should all be proud of their efforts and the partnership spirit that inspires their work.

At the January national task force meeting, regional task force leaders outlined initiatives they are pursuing to achieve the affordability goal outlined in the 2021 KP-Alliance National Agreement. We received updates on regional efforts and are encouraged by new cost-savings initiatives in Washington, Colorado, Georgia, and Southern California. We are also proud to report that the Northwest is on track to meet the 1.5% affordability goal.

Currently, regional groups are at various stages of progress. As noted above, only 1 of the 7 regions has identified initiatives to meet the affordability target, and none of the regions has developed implementation plans for their affordability initiatives. In our ongoing discussions with the regional task forces regarding their progress towards meeting the affordability goal and developing implementation plans, we have identified shared challenges and the resources needed to accomplish this important work. Below are the most common resource needs:

- Data transparency and collection

- Operational leadership support
- Community of Practice

Additionally, it is important to establish strong connections between the work of unit-based teams and the regional task forces. While some regions have robust UBT structures in place, we see this as an opportunity for alignment across all markets. In addition to these shared challenges, we will reach out to the regional task forces with specific feedback to ensure this work continues to move forward.

Wage Survey

We are preparing to launch the joint market-wage survey being developed by Deloitte. A group of management and labor representatives working with Deloitte has reached agreement on key survey elements. They are currently working through questions around the definition of sub-markets in the Southern California region.

Next Meeting

The next task force meeting is scheduled for March 2, 2022, in Northern California.

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