PROFITS OVER PATIENTS

Kaiser Permanente's Shift in Institutional Priorities and the Dire Consequences to Health Care

HIGHLIGHTS FROM THE REPORT

Kaiser Permanente has strayed from the values that once defined it—principles that put people, not profits, first. UNAC/UHCP's report *Profits Over Patients* documents how Kaiser has abandoned its founding mission and moved toward profit, expansion, and Wall Street-style asset accumulation. This shift has created real consequences for patient safety.

Kaiser claims it "cannot afford" union proposals for safe staffing and fair contracts, but the numbers tell a different story.

1. HOARDING WEALTH

While frontline caregivers face burnout and patients face delays, Kaiser has quietly become one of the world's largest private-market investors.

- **Massive Profits:** In 2024, Kaiser generated **$12.9 billion** in net income (page 12).
- **Excessive Reserves:** Kaiser is sitting on **$66 billion** in unrestricted reserves (pages 12-13).
- **Rising Premiums:** Despite these reserves, patient premiums have increased yearly (page 13).
- **Wages That Don't Keep Up with Inflation:** While Kaiser's net assets grew over 600% since 2023, nurses' real purchasing power has dropped due to inflation and sub-par wage increases (pages 14-15).
- **Executive Bloat:** Kaiser's top executives make approximately $22 million a year, combined (page 16). Its board members are paid an average of $251,000 annually—nearly 60% more than a comparable health system—while many nonprofit hospital boards are voluntary (page 17). With only a few of the fifteen board members having health care experience, a large majority of the board is comprised of directors from IT, retail, banking, and investment backgrounds, steering Kaiser more toward profit-maximizing endeavors (page 19).
- **A Nonprofit with Large Wealth Reserves**: In several states, government regulators have responded to large wealth reserves at nonprofit entities by reducing rate increases or calling for more substantial community investments, underscoring that nonprofit tax benefits carry an obligation to benefit the public (page 12).

2. INVESTING IN HARM, NOT HEALTH

Instead of reinvesting surplus funds into safe staffing and other patient care issues, Kaiser is investing member premiums into industries that harm our communities.

- **Private Prisons:** Kaiser's has investment ties to **CoreCivic and The GEO Group**, companies running ICE detention centers known for human rights abuses and medical neglect (pages 30-32).

- **Predatory Lending:** Kaiser has investment ties to Enova International, a company offering high-interest loans (from 100% to over 400% APR) targeting low-income families, trapping them in debt (page 33).
- **Fossil Fuels and Fracking:** Kaiser holds investments in fracking giants like Occidental Petroleum and ConocoPhillips, funding environmental damage that increases respiratory disease in the very communities we treat. This has a disproportionate impact on the health of low-income communities of color (pages 34-35).

3. DECLINE OF PATIENT CARE

Kaiser's financial strategy is actively eroding the quality of care we are able to provide.

- **The "McDonaldization" of Care:** Kaiser invests in systems that move patients in and out of care as quickly as possible, limiting nuance and sidelining clinical judgment, professional autonomy, and individualized care (page 45).
- **Dangerous Understaffing:** In Southern California alone, our members filed **13,807 staffing objections** in two years—**an average of 19 documented safety alerts per day** (page 76).
- **Fraudulent Practices and Lawsuits:** Allegations of Medicare fraud involve a Kaiser scheme that deliberately pressured providers to falsify and manipulate medical records to illegally inflate federal Medicare payments, along with millions paid out in lawsuits related to patient care, patient records, slow complaint responses, discrimination and wrongful termination (page 25).

4. ATTACKS ON THE WORKFORCE

Kaiser executives have treated our union partnership not as an asset, but as a cost to cut.

- **Punishing First Contracts:** The newest Kaiser professionals to unionize with UNAC/UHCP (Northern California Certified Nurse Midwives (CNMs), Certified Registered Nurse Anesthetists (CRNAs), Acupuncturists, and Physician Assistants (PAs), Hawaii Certified Registered Nurse Anesthetists, and Child Life Specialists) are being met with proposed cuts to benefits, wages, and retirement– retaliatory proposals in their first contract negotiations with Kaiser (page 42).
- **Disrespect:** A Kaiser physician was caught referring to staff as "parasites" and suggesting leadership is plotting to replace us with non-union models (page 38).
- **Two-Tier Schemes:** Kaiser has repeatedly pushed for two-tier wage systems that would pay newer workers less and reduce their retirement benefits, creating divisions within the workforce (page 39).

THE BOTTOM LINE:

If Kaiser Permanente has the resources to expand its reserves and pursue controversial investments, then it has the resources—and responsibility—to invest in the people who deliver care and in the patients who depend on it.

Read the full report at InvestinPatientCare.org