

THE FACTS

BEHIND CONTRACT NEGOTIATIONS BETWEEN THE UNITED NURSES AND HEALTH CARE EMPLOYEES OF HAWAII (UNHCEH) AND MAUI HEALTH/KAISER PERMANENTE

UNHCEH began bargaining for a new contract with Maui Health and Kaiser on July 22, 2024—after numerous management delays.

We allowed the current contract to expire on September 30, 2024, so that all options for collective action are available to us, up to and including a possible strike. UNHCEH members voted overwhelmingly to authorize the bargaining team to call a strike if needed.

Kaiser Permanente, the gold standard for healthcare nationwide, owns Maui Health, having taken over from the state of Hawaii. Maui Health includes Maui Memorial Medical Center—the island’s only acute care hospital—Kula Hospital, and Lanai Community Hospital. Kaiser Permanente also owns and runs clinics on Maui, as well as hospitals and clinics on other islands in Hawaii, and provides insurance.

The healthcare workers of Maui Health are covered by a separate contract from other KP healthcare workers in Hawaii. Wages, benefits, and patient care standards in our contract with MAUI HEALTH/KP do not match the standards set by the other KP union contracts in Hawaii and across the nation.

Why are Maui and Lanai residents getting second class care? And why are Maui and Lanai healthcare workers getting second class wages and benefits?

Outstanding issues preventing agreement:

1. Safe and Equal Patient Care Standards:

- a. Safe RN-to-Patient Ratios: California has a state law mandating safe nurse to patient ratios. UNAC/UHCP’s RN contract with KP has even stronger ratios. We have proposed the same ratios for Maui Health. Management refused that proposal.
- b. The National Institutes of Health discovered that adding one patient to a nurse’s caseload raises the probability of patient mortality by 7%.
- c. Why should Maui residents get less than Kaiser’s gold standard for healthcare, set by other contracts in California?
- d. Kapiolani Medical Center recently reached an agreement that contains contractual nurse-to-patient contractual ratios, but the largest and wealthiest healthcare corporation on the planet is putting its profits before patients and denying the community adequate staffing levels.
- e. Other patient safety proposals include rules for floating RNs from one unit to another, guaranteeing RNs will only be floated to units for which they have the proper training

2. Living Wages for Ancillary Staff

- a. At the lower end of the wage scales at Maui Health, workers like unit clerks and other classifications, who keep the hospital functioning so RNs and other direct care workers can focus on their patients, make no more than local wages at Target and fast food franchises. But these jobs are much more stressful.
- b. Comparable jobs at other KP facilities in Hawaii can make over 30% more in pay than Maui Health workers in the exact same job classifications.
- c. Many of Maui Health's lower wage workers must maintain more than one job to feed their families and are being forced to leave Maui because they can't afford to live here. This is causing families to be ripped apart.

3. Equal Benefits

- a. Maui Health's turnover is too high (see figures below). New grad nurses come here from University of Hawai'i Maui College, then gain enough experience to leave for other islands or the mainland.
- b. Nearly 40% of Maui healthcare workers are thinking of moving to the mainland (citation below).
- c. Why? Because the wages and benefits at Maui Health are not equal to what workers can get elsewhere, often in places where the cost of living is not so high.
- d. Why are Maui healthcare workers not given the same benefits as other KP workers? Equal pay and benefits can keep Maui workers here in Maui.

THE PEOPLE OF MAUI ARE STRUGGLING: ECONOMIC TOLLS AND HEALTH CONCERNS ARE WIDESPREAD

A June 2024 study by the Hawai‘i State Rural Health Association, “Maui Together,” sheds light on the far-reaching effects of the Maui wildfires. All bullet points below are directly from the report.¹

“The high cost of living, especially housing, and the inability to accrue savings are chief stressors and it is worse than right after the pandemic. Medical professionals are feeling the same way – so much so that many are considering leaving the state or the profession.”

- Nearly four in ten or 39% of medical professionals are also contemplating moving to the Mainland. Another 40% are considering a reduction in hours, and 35% are thinking about leaving medicine altogether.
- The number of Maui residents who have seen their financial prospects worsen has increased by 18 percentage points in two years. This is also true of healthcare professionals.
- They are going without, characterizing their existence as “surviving.”
- For fire survivors, healthcare professionals, and the County as a whole, the single greatest unmet need is financial support to help alleviate poverty.
- When offered a list of solutions designed to alleviate health problems, healthcare professionals place highest priority on improving pay and increasing the healthcare workforce focusing on home-grown recruits.
- The majority of respondents agree that the county is in “poor health”:
 - More respondents say they have cut back on medicine and medical care today because they cannot afford it, a number considerably higher than two years ago (40% cut back on medical care due to finances today; 27% in 2022).
 - When asked to describe the state of healthcare on Moloka‘i, one provider responded, “What healthcare? If you need healthcare, don’t come.”
 - And while access to care is an issue across all three islands (59% county-wide say health needs are not met on their home island), Lāna‘i (78%) and Moloka‘i (73%) residents are much more likely to say their healthcare needs are unmet where they live.
 - Healthcare delays are common—and on the rise. Nearly seven in 10 (68%) report delays in receiving care. This represents a double-digit increase from two years ago (56% reported delays in 2022).
- The fires have had an out-sized impact on the economy across the county. Today nearly half (49%) of county residents say their financial status has worsened since the fires, a number that is nearly 20 percentage points higher than in 2022 coming out of the pandemic.

¹ “Maui Together.” Hawai‘i State Rural Health Association, June 2024. <https://hsrha.org/maui-together/>

WAGE COMPARISONS

Maui Health and Kaiser-Hawaii Nurses and Healthcare Professionals:

- **HNHP nurses can earn up to 16.6% more (at top of the grid)**
 - Effective September 29, 2024, HNHP RN/NPs will receive a 2% ATB wage increase and a 2% lump sum payment.
 - An HNHP Staff Nurse at the top of the scale (2 Years of Experience) will make 5.08% more than a Maui Health Staff Nurse at the top of the scale (4 Years of Experience).
 - Both Maui Health and HNHP implement clinical ladders, but HNHP has three clinical ladder levels (III, IV & V). An HNHP Staff Nurse V (the highest level on the clinical ladder) will make 11.62% more than the Maui Health Staff Nurse-CL at the top of the scale (4 Years of Experience).
 - HNHP has a Charge Nurse Differential of \$4.50 while Maui Health has a Charge Nurse Differential of \$2.00. An HNHP Charge Nurse V (the highest level of Charge Nurse) will make 16.68% more than a Maui Health Charge Nurse at the top of the scale (4 Years of Experience).

Maui Health and HNA/OPEIU Local 50 (Patient Care Coordinators and Clinical Coordinators)

- **Patient Care Coordinators and Clinical Coordinators with HNA can earn up to 17.09% more (at top of the grid)**
 - Effective September 29, 2024, HNA/OPEIU Local 50 (Patient Care Coordinators and Clinical Coordinators) will receive a 5% ATB wage increase.
 - Effective September 29, 2024, An HNA/OPEIU Local 50 CD Clinical will make 17.09% more than a Maui Health CD Clinical at the top of the scale (4 Years of Experience).
 - Effective September 29, 2024, An HNA/OPEIU Local 50 CD Patient Care-Cont. Care will make 11.56% more than a Maui Health CD Patient Care-Cont. Care at the top of the scale (4 Years of Experience).

Other data points:

- **In comparison to AHCU UNITE HERE Local 5 wages at other HI Kaiser locations, the wages are staggeringly higher. Some Maui Health comparable jobs start out higher (by almost 3.0%) but the earning potential is more with those jobs making 27.82% more than at Maui Health.**
- Kaiser-UNAC/UHCP: United Pharmacists of Hawaii: wage rate difference up to 3.95%
- Kaiser-UNAC/UHCP: United Therapists of Hawaii: wage rate difference up to 12.18%

TURNOVER RATES AT MAUI HEALTH

Total Turnover Rates at Maui Health:

- 2023-2024: 14.35%
- 2022-2023: 13.28%
- 2021-2022: 16.67%
- 2022-2021: 10.94%

Job Specific Turnover Rates at Maui Health:

- **RNs:**
 - 2023-2024: 13.86%
 - 2022-2023: 12.26%
 - 2021-2022: 14.46%
 - 2020-2021: 9.19%
 - National average: 18-22%
 - **Hawaii Nurses and Healthcare Professionals (HNHP) at Kaiser clinics and hospitals throughout Hawaii):**
 - 2023: 4.2%
 - 2022: 3.1%
 - 2021: 7.9%
 - 2020: 5.7%
- **Radiology/Imaging Staff**
 - 2023-2024: 18.60%
 - 2022-2023: 7.69%
 - 2021-2022: 22.92%
 - 2020-2021: 16.00%
 - **UNITE HERE Local 5:**
 - 2023: 9.4%
 - 2022: 12.2%
 - 2021: 5.5%
 - 2020: 6.5%
- **Ancillary Staff:**
 - 2023-2024: 16.19%
 - 2022-2023: 15.79%
 - 2021-2022: 18.78%
 - 2020-2021: 16.00%
- **TOTAL AHCU HI Units (KP ancillary staff):**
 - 2023: 7.3%
 - 2022: 8.7%
 - 2021: 6.9%
 - 2020: 6.2%

Costs of Nurse Turnover:

24 numbers that illustrate the cost of nurse turnover, according to the most recent edition of the *2024 NSI National Health Care Retention & RN Staffing Report*, which is available in full [here](#).

1. Each percent change in RN turnover stands to cost or save the average hospital \$262,500 per year.

2. The average cost of turnover for a staff RN increased by 7.5% in the past year to \$56,300, with a range of \$45,100 to \$67,500. This is up from the average cost of turnover for an RN in 2022, which was \$52,350.
3. The turnover rate for staff RNs in 2023 averaged 18.4%. Given varying bed size, RN turnover can range from 5.6% to 38.8%.
4. The average time to recruit an experienced RN ranges from 59 to 109 days, with the average for 2023 sitting at 86 days.
5. Over the past five years, RNs in step down, emergency services, and telemetry were most mobile with a cumulative turnover rate between 112% and 119%. "Essentially, these departments will turn over their entire RN staff in less than four and a half years," the report states.

Other turnover cost data:

- The average cost of turnover for a regular position is between six and nine months of an employee's salary.
- The average cost of turnover per employee in a hospital is \$50k - \$75k. That costs an organization \$1.25M - \$1.87M a year for every 1,000 people it employs.²

KAISER PERMANENTE FINANCIAL STRENGTH³

- Kaiser Permanente had a strong second quarter this year, posting a 3.1% operating margin, which is remarkably better than the past few years during COVID.
- Operating income: \$908 million, compared to \$741 million in the same period of 2023
- Net income: \$2.1 billion, the same as the second quarter of 2023
- Operating revenues: \$29.1 billion, compared to \$25.2 billion in the same period of 2023 (\$3.9 billion difference)
- Other income: \$1.2 billion, due to favorable financial market condition
- Total reserves now total more than \$62 billion and more than 210 days of cash on hand
- Kaiser Permanente CEO Greg Adams makes more than \$7400/hour
- NOTE: Kaiser tends to experience higher margins during the first half of the year corresponding with annual enrollment cycles. We can expect to see the margins decline in Q3 and Q4, but the strong performance in these first six months sets up a nice cushion for the remainder of the year.

² <https://www.goziohealth.com/blog/what-is-the-cost-of-hospital-employee-turnover#:~:text=The%20average%20cost%20of%20turnover.can%20impact%20the%20bottom%20line.>

³ <https://www.healthcaredive.com/news/kaiser-second-quarter-financial-results-operating-margin-geisinger-risant/724065/>