

---

# Healthcare Consolidation and Collective Bargaining

Kyle Arnone  
Deputy Director, Center for Collective Bargaining  
AFT Research & Strategic Initiatives

AFT-NHP Professional Issues Conference  
June 4, 2018

# What Is a “Blue H”?

Consolidation leads to larger healthcare systems, and often entails a move toward a more decentralized “consumer-oriented” operating model.



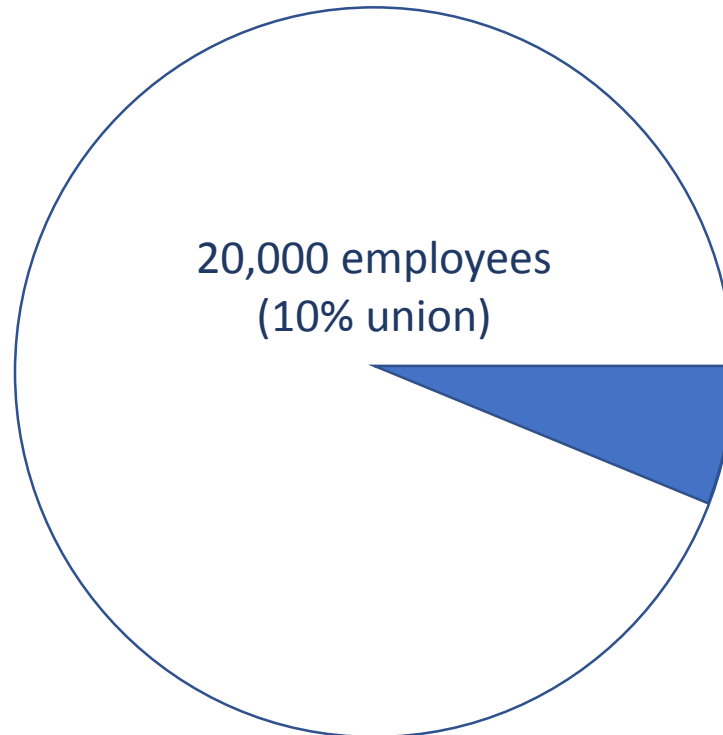
# Some simple math

---

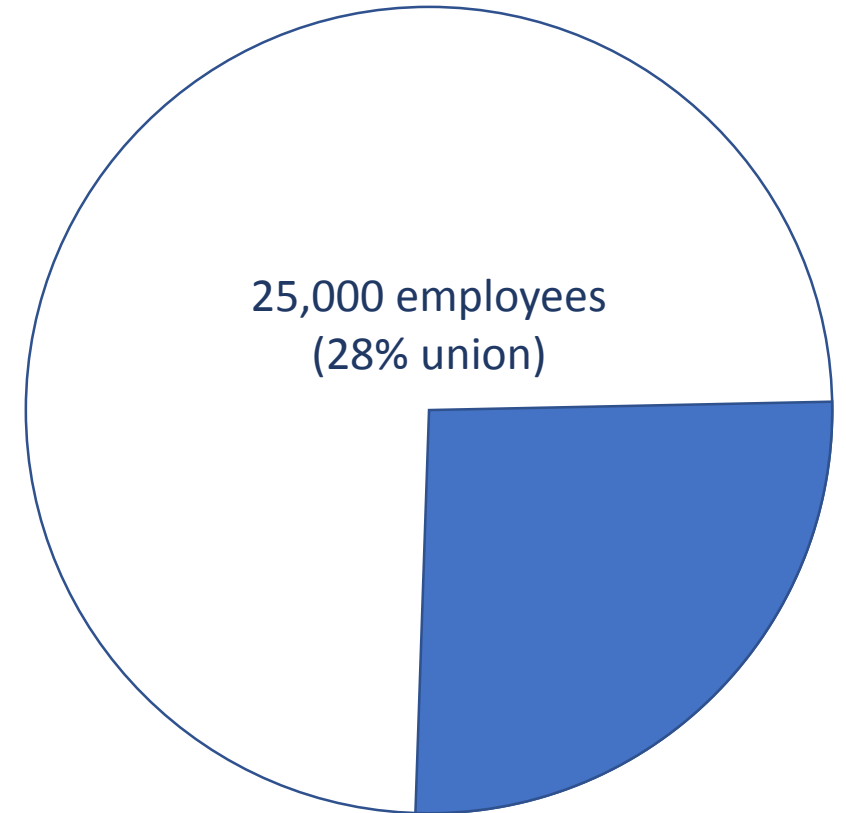
**Community Hospital**



**Acquiring System**



**NEW System**



# Impact on collective bargaining

---

- **Know what you're facing.** The exact form consolidation takes varies from case to case – it's important to submit a **detailed information request** about the nature of the transaction and the impact on operations.
- **Labor law.** Employers are obligated to provide information relating to a change in operations as part of the obligation to bargain in good faith. Failure to do so is an **Unfair Labor Practice.**

# Successorship

---

**Problem:** Ensure the contract transfers from one owner to the next.

SAMPLE LANGUAGE:

**Application of Agreement to Successors - Obligation to Notify.** This Agreement shall be binding upon both parties, their successors and assigns. The Employer shall give notice of the existence of this Agreement to any purchaser or transferee. In the event of a sale or transfer of the business of the Employer, **the purchaser or transferee shall be bound by this Agreement.**

# Consolidation takes many forms

---

**Problem:** Clarify that the CBA transfers regardless of what form consolidation takes.

SAMPLE LANGUAGE:

**Type of Transaction Immaterial.** In the application of these rules, it is immaterial whether the transaction is called a merger, purchase, acquisition, sale, etc. It is also immaterial whether the transaction involves merely the purchase of stock of one corporation continuing in existence, and it is immaterial whether operations of the companies are physically merged or not.

# Relocation of services

---

**Problem:** As part of the reorganization, the employer may move services to another site.

**Relocation of Existing Facility.** In the event the Employer moves an existing facility to any location within X miles of the existing facility the terms and conditions of this contract shall continue to apply with respect to the new facility. In addition, all employees working under the terms of the Agreement at the old facility shall be afforded the opportunity to work at the new facility under the same terms and conditions and without any loss of seniority or other contractual rights or benefits. Provided however, the Union will be required to show a majority representation in accordance with the controlling law. In addition, the parties agree to enter into effects bargaining in accordance with controlling law regarding the impact on employees of the movement of an existing facility.

# New formations and new job *titles*

---

**Problem:** Maintain bargaining unit integrity as providers consolidate create new positions to coordinate patient care across the care continuum.

**Notification of new positions.** Language should require the employer to provide notice of any new positions/titles.

**Process of determining bargaining unit status of new positions.** In addition to notification, language could create an internal review process with escalations for determining the bargaining unit status of each position.



# Bargaining for the Common Good

---

An approach to bargaining that aligns and articulates the interests of members with the interests of the community in which they work and live. Working in partnership, the union and community stakeholders use the collective bargaining process as a vehicle to advance community benefits.

# BCG examples from education

---



**No Foreclosures During School Year.** We demand that the District cease all business with banks that foreclose on families with school-aged children during the school year.



**Free Transportation to School.** We demand that the district provide free bus cards to children who need it so as to ensure that low-income students can attend school regularly and safely without further straining the budgets of low-income families.

# BCG in health care

---

## **Example 1: Financial Assistance Policy Disclosure**

The hospital must include a plain language summary of the Financial Assistance Policy (FAP) in *all* billing statements.

## **Example 2: Deductible Waiver**

The hospital will waive the cost of deductibles for patients who earn less than []% of the federal poverty level.

## **Example 3: Charity care**

The hospital will maintain the same level of charity care spending or higher from one year to the next. Any savings generated from a reduction in charity care costs will be redirected to a Relief Fund that will be est. to provide financial assistance to patients whose bills he hospital sent to collections.

# Getting started

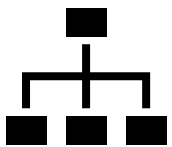
---



**Survey your members.** Your members already have deep connections to community organizations. In your bargaining survey, ask about them.



**Have some faith.** Faith-based leaders are often the most reliable and powerful allies of workers and advocates for the community.



**Map the community.** Take some time to research organizations in your community, starting with senior citizen/retiree groups, patient advocacy organizations, consumer groups like Citizen Action (and Community Catalyst), of course, other unions. Work with your AFT National Representative if you need help.

# Questions for discussion

---

1. Is the issue of consolidation on your members' radars? If so, how has it become an issue? If not, how could you raise awareness?
2. Does your contract language address successorship, relocation of services, and representation of new positions?
3. If you were to run a Bargaining for the Common Good-style contract campaign, what steps would you take to get started? What resources or guidance would be helpful?