



Berkshire Health Systems, Inc.

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March 24, 2017

Dear BHS Colleague:

I'm writing to bring you up to date on the status of negotiations on behalf of our employees who are members of union bargaining units. As the 2016 calendar year came to an end we had five union agreements needing to be negotiated. I'm happy to report that four of those agreements have now been resolved successfully. On Tuesday, the nurses at Fairview Hospital ratified a three year agreement that is a fair deal for both parties. Previously, representatives of three 1199SEIU bargaining units reached fair settlements, one for a successor contract and two for reopeners limited to wages. This leaves only the MNA contract unresolved.

We have now had 19 sessions bargaining with the MNA where we have removed most of our proposals but have seen little serious movement from the MNA. As a result of this lack of progress, after many months of bargaining, we suggested on March 14 that we seek the assistance of a federal mediator. The MNA has agreed and at our next scheduled meeting on April 6, we will be joined by Commissioner Cynthia Jeffries from the Federal Mediation and Conciliation Service. Her role will be to help the parties to reach a fair settlement and move forward.

I want to share with you a brief synopsis of the remaining proposals:

MNA proposals remaining on the table:

- 9.0% wage adjustment over three years in addition to 2.0% step increases annually, totaling 15.0% over three years.
- Significant increases to differentials and other economic items:
 - Charge pay
 - Evening differential, weekend differential, night differential
 - Call pay
 - Certification pay
 - BSN/MSN
- Enact nurse/patient ratios on every nursing unit resulting in the hiring of many new nurses
- More full time positions (faster conversion of per diem hours to PT/FT positions)
- Limit floating to medical/surgical staff
- Significantly reduce rotations to alternate shifts
- Health insurance -- increase the employer contributions for health insurance for part time employees and increase BHS contributions for family plan participants
- Accelerate the timing of ET accruals and more

BMC proposals remaining on the table

- 1.0% wage increase in years one and two of the agreement and 2.0% in year three, in addition to 2.0% step increases annually, all totaling 10.0% over three years
- Health insurance premiums for individual health plans only, increasing from 10% to 20% to be consistent with all BMC employees.

BMC has proposed that nurses pay the same amount for individual health insurance that all other employees, including management, physicians and other bargaining unit employees, currently contribute. That contribution, while moving from 10% to 20%, is more than reasonable when understanding that BHS health plans have no deductibles and offer comprehensive coverage. At the same time the MNA has, in opposition to the BMC proposal, proposed that BMC increase contributions for health insurance.

The MNA proposals would cost more than \$21,000,000 over three years and would be financially damaging to BMC and to the healthcare system that cares for our community. We are hopeful that talks with the federal mediator involved will result in meaningful progress toward a final settlement that is fair for our nurses and our hospital.

We have made it clear to the MNA bargaining committee that we cannot agree to their unrealistic and unsustainable staffing demands. At the same time, BMC has offered to create a "Staffing Committee" that would meet twice each year and review workload, trends, census, absence rates, vacancies and any other pertinent factors. The committee would then make recommendation for any necessary modification to the Chief Nursing Officer and if needed to the Chief Operating Officer.

As you know, we all have important work to do to respond to the challenges that all providers are facing given the uncertainty in the industry. Our goal is to arrive at a fair deal with our nursing staff as soon as possible so we can turn our undivided attention to the work that unites us – meeting the needs of our patients and their families.

I want to close by thanking you for your good work, which has enabled this organization to be recognized nationally, not only in safety but for excellence in countless other ways.

Sincerely,



Arthur D. Milano
Vice President – Human Resources
Berkshire Health Systems