



Berkshire Health Systems, Inc.

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May 3, 2017

Dear BHS Community:

Every three years, we negotiate a new contract with the Massachusetts Nurses Association, the Boston-based union that represents our registered nurses. As always, our goal is to make any necessary adjustment to the existing arrangement with the MNA to be sure that our nurses continue to have a fair and reasonable contract.

We also understand the interest that all of you have in the status of our negotiations with the MNA, recognizing as you do the impact that those negotiations will have on our entire organization as well as on the community that depends upon BMC itself remaining healthy for a long time to come. For that reason, we again wanted to share with you the latest developments in our negotiations with the labor union representing our registered nurses.

Our negotiations began in September 2016 and we have now completed 22 sessions with the MNA bargaining committee. Each session (typically full days) has had up to 15 BMC nurses in attendance, together with one or more representatives from the MNA offices. BMC also has had a team present, consisting of three individuals and legal counsel. The most recent negotiating day was yesterday, May 2. In the interests of moving the negotiations to conclusion as promptly as we could, we had offered the MNA ten dates on which to meet between April 18 and May 2, including nights and weekends, and we promised to release from regular work commitments as many of the 15 member MNA bargaining committee as possible. The MNA was unable to accommodate any of those dates.

Yesterday's negotiating session was scheduled to begin at 9:00 and conclude at 5:00, but the union delayed the start by two hours and abruptly ended the session at 3:30 despite our request to continue.

These ongoing negotiations are obviously an expensive process, but when pursued by two parties with a common goal of achieving a fair contract for all, it yields positive results. However, when one party is distracted by interests beyond those directly related to local conditions, these sessions can become a wasteful and divisive process.

With 22 bargaining days over the span of more than seven months now behind us, it is clearer than ever that the MNA's position is dominated by its concern for a statewide agenda, rather than the needs and interests of the BMC nurses or Berkshire County generally. The MNA has, for example, continued to insist that any contract with the hospital include the mandatory, fixed staffing ratios or similar language to control staffing in a manner that is consistent with the union's statewide legislative strategy. The information released locally by the MNA about the status of our negotiations—letters to the editor, blog postings and flyers—all bear striking

similarity to the MNA-generated information circulating in other communities in the state where the MNA is involved in hospital negotiations.

We have made clear to the union that we cannot accept its rigid approach to staffing the hospital. Instead we have offered (1) to continue following the comprehensive, nationally recognized guidelines issued by American Nurses Association for appropriate staffing of hospital units; (2) to provide our nurses with full, fair and formal participation in staffing decisions that we make; and (3) to establish a means of nearly instantaneous response to concerns by any nurse about temporary staffing shortages at any time.

We have always offered our nurses a fair and reasonable financial package and have proposed adjustments this year to keep it so. However, we have now concluded that we cannot reach that appropriate result by continuing the pattern of session after session with the MNA without meaningful progress. This is especially so considering the costs, distraction and discord generated by these time consuming and often unproductive sessions. At this point, we believe we have exhausted discussion on all proposals from both sides of the table. Accordingly, we have given the MNA our best and final offer to settle the contract.

In summary, our best and final offer to our nurses includes the following provisions, among others:

- Continuation of nationally recognized staffing guidelines, but with increased, direct participation by nursing staff;
- 10% increase in pay over the three-year contract term made up of:
 - General wage increases of 1.0% in years one and two of the agreement and 2.0% in year three;
 - Step increases of 2.0% per year for those within the wage scale; and
 - Lump sum payments of 2.0% per year for those at the top of the salary scale.
- Retroactivity of proposed general and lump sum payments, if agreement is reached by May 31, 2017; and
- Increases in the evening and night differential premiums.

Our nurses, like all of our employees, currently enjoy the most generous employment benefits, including health insurance, available in the county. Rare among plans anywhere, the BMC health insurance coverages are broad and flexible, deductibles do not exist and co-pays are low when they occur at all.

Registered nurses who select BMC's individual health plan coverage currently contribute less to the premium costs than do all other employees of ours who take that individual coverage. For that reason, we have also asked our registered nurses to forego the special 90/10 health insurance cost sharing arrangement for individual health insurance coverage that we have afforded them until now and replace it with the 80/20 sharing that applies to all other Berkshire Health Systems employees electing that individual coverage.

We appreciate that you may want to know more detail about the issues involved in our negotiations with the MNA. In the next few days, we will launch an informational web page at

www.bmcnurses.com or www.bmcnurses.org that will more fully explain those issues and the facts behind them. In the interests of complete transparency, we will also post our best and final offer in its entirety on that web page for you to view and better understand. In the days ahead, we will also be scheduling open sessions to allow all BMC employees to gather additional information and ask any questions you may have.

We hope that you understand our goal of concluding this contract in the near future so that we can concentrate our full attention on what we do best—caring for our community.

We will continue to keep you informed as developments occur.

Sincerely,



David E. Phelps
President & Chief Executive Officer



Diane Kelly, RN
Chief Operating Officer