





June 18, 2015

Kamala D. Harris, Attorney General California Department of Justice 455 Golden Gate, Suite 11000 San Francisco, CA 94102-7004

Dear Attorney General Harris:

I am writing to request that your office investigate apparent violations of California laws designed to safeguard employees' rights to report patient-care violations and other violations of local, state, and federal laws to government agencies.

In May of 2014, a number of California hospitals and health systems, including our state's largest HMO Kaiser Permanente, reportedly signed the attached legal agreement entitled "Code of Conduct" with the Service Employees International Union United Healthcare Workers-West (SEIU-UHW), a labor union representing 80,000 caregivers employed in hundreds of hospitals, clinics, emergency rooms, urgent care centers, home health agencies, call centers, and other facilities across California. SEIU-UHW's members include Certified Nursing Assistants, Licensed Vocational Nurses, Respiratory Care Practitioners, Surgical Technicians, Radiology Technologists, Medical Social Workers, Nuclear Medical Technicians, Sonographers, and others.

Numerous hospitals and health systems reportedly signed the "Code of Conduct." In press materials announcing the agreement, the California Hospital Association and SEIU-UHW reported that the "parties" bound by the agreement include "a wide range of hospitals and health systems covering a majority of hospital beds in California" (See Exhibit C, "Solving Big Problems Together," May 5, 2014).

The Code of Conduct ("Agreement") (see Exhibit A) bars SEIU-UHW and its members from "pursu[ing], sponsor[ing] or support[ing] any legislation, initiative, regulatory, or other efforts that are adverse to the interests of" the hospital companies that are signatories to the agreement. The Agreement also prohibits SEIU-UHW and its 80,000 members from "instigating or supporting...adverse action by any branch of government" with respect to the hospital companies (p. 4). Furthermore, the agreement forbids SEIU-UHW from "communicating with the government and members of the public" about policy issues and legislative matters if these communications identify a signatory hospital companies or if they "degrade, attack or make accusations with respect to" the hospital companies (p. 4-5).

By reportedly entering into such an agreement, the signatories have established a far-reaching gag clause that prohibits tens of thousands of hospital employees and their union from initiating or supporting any regulatory complaints to any branch of government. This gag clause not only violates the long-standing public policy of the State of California, it apparently contravenes multiple California statutes and regulations, including but not limited to California Labor Law [California Labor Code §1102.5(a) and §1101], the California

Whistleblower Protection Law for Healthcare Workers [California Health and Safety Code §1278.5(a)], and the Knox-Keene Health Care Service Plan Act of 1975 [California Health and Safety Code §1396 and §1342]. For instance, California Health and Safety Code §1278.5(a) states the following:

"The Legislature finds and declares that it is the public policy of the State of California to encourage patients, nurses, members of the medical staff, and other health care workers to notify government entities of suspected unsafe patient care and conditions. The Legislature encourages this reporting in order to protect patients and in order to assist those accreditation and government entities charged with ensuring that health care is safe."

Kaiser reportedly negotiated and signed the Code of Conduct with SEIU-UHW just months after the California Department of Managed Health Care (DMHC) fined Kaiser \$4 million² and ordered it to "cease and desist"³ from committing further patient-care violations that were disclosed to government investigators by employee whistleblowers. On June 24, 2013, the DMHC issued its \$4 million fine in response to Kaiser's "serious" and "systemic" violations affecting thousands of patients across California, including forcing mental health patients to endure lengthy illegal waits for appointments, falsifying patients' appointment records, and violating the California Mental Health Parity Act.⁴ The \$4 million fine is the second largest in the DMHC's history. Notably, a number of SEIU-UHW's members are directly employed inside Kaiser's mental health clinics where they are responsible for communicating with patients and receiving, processing, and managing patients' appointment requests and appointment records.

The Code of Conduct is reportedly one portion of a multi-part legal deal entered into by SEIU-UHW, the California Hospital Association, Kaiser Permanente, and other hospitals and health systems in California in May of 2014. According to the terms of the deal, SEIU-UHW secured the right to unionize up to 60,000 hospital workers in exchange for dropping two statewide ballot initiatives, pledging to use SEIU's political relationships with legislators to win \$6 billion a year in new taxpayer-funded Medi-Cal revenues for the California hospital industry, depositing \$20 million of SEIU-UHW's monies into a political campaign fund jointly controlled by the California Hospital Association, forfeiting hospital caregivers' labor standards, and accepting a far-reaching gag clause that prohibits caregivers and their union from reporting patient-care violations and from criticizing hospitals and their executives, among other restrictions.

¹ The adoption of this Agreement also appears to violate federal law. Under Section 7 of the National Labor Relations Act (NLRA), employees have a protected right to engage in concerted activity to improve their terms and conditions of employment, even if that activity is in conflict with the employer's interests. Broadly worded anti-disparagement provisions like the ones contained in the Agreement have been found to violate the NLRA. The Agreement also appears to violate provisions of Section 7 that protect employees' rights to communicate with the news media, government agencies, and other third parties.

² DMHC, "Accusation in the Matter of Kaiser Foundation Health Plan Inc. (Enforcement Matter No. 11-543)," Sacramento, Calif., June 24, 2013.

³ DMHC, "Cease and Desist Order vs. Kaiser Foundation Health Inc. (Enforcement Matter No. 11-543)," Sacramento, Calif., June 24, 2013.

⁴ DMHC, "Final Report Routine Medical Survey of Kaiser Foundation Health Plan, Inc.'s Behavioral Health Services," Sacramento, Calif., March 18, 2013.

^{5 &}quot;Fair Healthcare Pricing Act of 2014" and "Charitable Hospital Executive Compensation Act of 2014."

In the text below and in approximately 100 pages of attachments, this complaint details the scope and terms of the gag clause as well as the apparent legal violations it gives rise to. We request that the Attorney General's office employ its full statutory authority to investigate reported violations of California Labor Law, California's Whistleblower Protection Laws, the California Knox-Keene Health Care Service Plan Act of 1975, and any other laws and regulations governing Kaiser, other hospitals and health systems, and any other parties to the agreement. If your office identifies illegal conduct, we request that you immediately enjoin those parties from committing violations of California law. Additionally, we request that your office immediately provide additional protections to employee whistleblowers, especially at Kaiser facilities given its efforts to silence whistleblowers (as documented in prior communications to your office) and SEIU-UHW's apparent acknowledgment that it will not protect employees who report violations to government officials.

This matter merits urgent attention by your office. Any effort to prohibit hospital employees from reporting patient-care violations poses serious risks to patients, employees, and the taxpayers who provide billions of dollars of funding each year to California's hospitals and health systems. We have special concerns regarding Kaiser Permanente's reported participation in the "Code of Conduct." Kaiser is our state's largest HMO with more than 7.2 million Californians under its care. Secondly, Kaiser reportedly signed the gag clause while it was bound by the DMHC's "Cease and Desist Order" and was undergoing a follow-up investigation by the agency for its mental health violations. Rather than satisfactorily implementing a "plan of correction" to remedy its patient-care violations, Kaiser reportedly entered into an illegal agreement that gags 45,000 of its employees and their union, SEIU-UHW, from reporting violations to government investigators. On February 24, 2015, the DMHC issued a 33-page report citing Kaiser for additional violations of California law including the California Mental Health Parity Act. ⁶ Thirdly, Kaiser has actively retaliated against whistleblowers and recently intensified its retaliation by terminating one of the aforementioned whistleblowers, a psychologist practicing at Kaiser's medical facilities in Fremont, California. Lastly, state investigators have carefully documented Kaiser's "serious," "significant," and "systemic" patient-care violations affecting thousands of mental health patients across California. These violations have allegedly contributed to suicides and other tragic outcomes, according to several class-action lawsuits filed by Kaiser's patients.

We request that you make your findings known to the general public and that you seek any and all civil and criminal penalties if your office ultimately determines that Kaiser has violated California law.

We and California's consumers thank you in advance for your prompt attention to this matter.

Respectfully,

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Sal Rosselli President

attachments

⁶ DMHC, "Routine Survey Follow-Up Report of Kaiser Foundation Health Plan, Inc. Behavioral Health Services," Sacramento, Calif., February 24, 2015.

Analysis of the Gag Clause Contained in the "Code of Conduct" between California Hospitals and SEIU-UHW

On May 5, 2014, a number of California hospitals and health systems, including our state's largest HMO Kaiser Permanente, reportedly entered into a legally binding contract entitled "Code of Conduct" with the Service Employees International Union-United Healthcare Workers West ("SEIU-UHW"). The "Code of Conduct" contains a far-reaching gag clause, the terms of which are described below.

I. Parties to the Agreement:

On page 2, the "Code of Conduct" (Exhibit A) states that the "Parties" to the "Agreement" are (a) SEIU-UHW, (b) the "hospitals or health systems who are signatories to this Agreement," and (c) the California Hospital Association.

A. Kaiser Permanente's Reported Participation: Kaiser Permanente reportedly is a signatory to the Agreement. Kaiser participated in the negotiation of the Agreement, which was convened by the California Hospital Association and involved multiple hospitals and health systems across California. In fact Kaiser hosted at least one of the negotiating sessions at Kaiser's Executive Offices in Oakland, California. Exhibit B is an e-mail from C. Duane Dauner (President/CEO of the California Hospital Association) to "Representatives of Select Hospitals/Health Systems" regarding a joint meeting with SEIU-UHW at Kaiser's Executive Offices on January 27, 2014. The exhibit includes an agenda for the meeting. Gregory Adams (President of Kaiser Permanente's Northern California Region) is the Chair of the Board of Directors of the California Hospital Association (CHA) and Dr. Benjamin Chu (President of Kaiser Permanente's Southern California Region) serves on CHA's Board of Directors, according to the CHA's website.⁷

On May 6, 2014, the CHA and SEIU-UHW held a joint telephone press conference and issued press releases, letters and other materials announcing their signing of an agreement "that provides for a code of conduct that will govern conversations between union representatives and hospital employees." According to the announcements (see Exhibit C), the Parties bound by the agreement include "a wide range of hospitals and health systems covering a majority of hospital beds in California." ⁸ In subsequent news articles, ⁹ SEIU-UHW's President Dave Regan identified three California health systems that did not sign the agreement (Providence Health & Services, Prime Healthcare Services, Cedars-Sinai Medical Center), none of which were Kaiser.

Also on May 6, 2014, SEIU-UHW's President Dave Regan conducted a 50-minute recorded telephone conference call with SEIU-UHW's staff members in which he described the signing of the Code of Conduct as well as some of its terms and conditions. The recording is available online. With respect to the gag clause, Mr. Regan summarized it in the following fashion:

⁷ California Hospital Association's website captured on May 1, 2015: http://www.calhospital.org/cha-board-officers

⁸ SEIU-UHW and the CHA, "Solving Big Problems Together: A Unique Agreement between SEIU-UHW and California Hospitals," May 5, 2014.

⁹ See for example: Chad Terhune, "SEIU vows to boost criticism of hospitals resisting partnership," Los Angeles Times, June 13, 2014.

"The Code of Conduct requires that in all of our interactions – whether they're in the public realm, in the realm of advocacy, in the realm of media relations or press relations or political work as well as in the realm of non-union workers deciding whether or not to join our union – we will eliminate and prohibit all negative campaigning." ¹⁰ (at 6:30 minutes of the recording)

On July 31, 2014, Kaiser's Gregory Adams attended a semi-annual meeting of SEIU-UHW's board of directors (its "Executive Board") and spoke about the new partnership between CHA and SEIU-UHW, according to SEIU-UHW's official meeting minutes contained in Exhibit D. Exhibit E contains additional minutes from the same meeting that were apparently recorded by one of the members of SEIU-UHW's "Executive Board." These minutes also describe the presence of Kaiser's Gregory Adams at the board meeting. For example, the minutes state: "We have an agreement with CHA. Greg Adams (CEO) from Kaiser." Elsewhere, the minutes state:

"Dave Reagan (sic) back on stage at 1700: on stage with him are Wade Rhoades (sic) (Dignity-Health) and Greg Adams (CEO Kaiser) the fixing of the Medi-Cal is an outgrowth of all that has preceded it. Q&A with Dave Regan, Greg Adams, Wade Rhoades (sic). They don't have a plan on how they will get the message out to the facility level management. They will have an internal plan to work together..."

Mr. Adams reportedly serves on the Board of Directors of a joint labor-management committee called "Caring for Californians" that was incorporated on September 17, 2014 per the terms of the Code of Conduct, according to incorporation records from the California Secretary of State (Exhibit F). ¹¹ This labor-management committee is the decision-making body responsible for implementing the terms of the Agreement. Only representatives of signatories are permitted to serve on the committee. The committee's structure and responsibilities are detailed in Section II of the Code of Conduct: "Joint Advocacy and Shared Responsibilities" (pp. 7-9). The members of the committee, in addition to Mr. Adams, include C. Duane Dauner (President/CEO of the California Hospital Association) and Dave Regan (President of SEIU-UHW), among others.

On May 11, 2015, SEIU-UHW and the CHA issued press releases (Exhibit G) that identify Kaiser as a member of a coalition formed by SEIU-UHW and California healthcare companies that will conduct a \$10 million media campaign to urge our state's legislators and Governor to boost Medi-Cal reimbursement rates. 12 Per the

¹⁰ Recording entitled "SEIU-UHW's Dave Regan Discusses Secret Deal with California Hospital Association," YouTube, available at https://www.youtube.com/watch?v=Le3Aezp2mhE#t and http://sternburgerwithfries.blogspot.com/2014/06/leaked-recording-dave-regan-discusses.html.

¹¹ According to the California Secretary of State's online "Business Search" database, the corporation's name is "Caring for Californians, A Labor Management Committee." Its Entity Number is C3710966 and address is 1215 K St., Suite 2050, Sacramento, CA 95814.

¹² SEIU-UHW, "Healthcare Coalition in CA Launches \$10 Million Paid Media Campaign to Fully Fund Medi-Cal," May 11, 2015. Captured on May 13, 2015 at http://www.seiu-uhw.org/archives/21154; Michael Sandler, "Blog: Calif. providers, insurers launch campaign for higher Medicaid rates," Modern Healthcare, May 11 2015. Captured on May 13, 2015 at: http://www.modernhealthcare.com/article/20150511/BLOG/150519988

Agreement, SEIU-UHW is responsible for undertaking this political and legislative effort in exchange for the right to unionize up to 60,000 hospital employees without opposition from the hospital companies.¹³

Additional records, which document the negotiation and execution of the final Agreement, are contained in Exhibits I-U. These records include draft versions of the Agreement, correspondence between SEIU-UHW and hospital executives regarding the Agreement, correspondence between CHA's CEO Duane Dauner and hospital executives regarding negotiations with SEIU-UHW, SEIU-UHW's board minutes documenting the execution of obligations specified in the Agreement, and records obtained from the California Secretary of State (such as FPPC Forms 410 and 460) documenting the establishment and funding of a joint union/industry political campaign fund per the terms of the Agreement.

Additional evidence of the negotiation of the Agreement is contained in an audio recording of a conference call conducted by SEIU-UHW's President Dave Regan and SEIU-UHW's governing board on October 30, 2013, during which Mr. Regan discussed his desire "to create an entirely new relationship with hospitals in California to ultimately end up in a place where we could have as many as 100,000 non-union workers with the opportunity to join our union without the employer campaigning against it..." During the recording, Mr. Regan discusses SEIU-UHW's plan to file ballot initiatives in connection with this effort. 14

B: Individuals to Whom Terms of Agreement Are Applied: On page 2 ("Purpose and Structure of Agreement, Section B: Parties"), the "Code of Conduct" (Exhibit A) states that the "Parties" to the "Agreement" are (a) SEIU-UHW, (b) the "hospitals or health systems who are signatories to this Agreement," and (c) the California Hospital Association. On page 3, the Agreement states that the term "Parties" also includes the named Parties' subordinates and representatives, which apparently include the individual employees of hospitals and health systems who are members of SEIU-UHW. The Agreement states the following:

"The principles apply to the Union, signatory hospitals and health systems, their subordinates in California and their representatives and are *not meant to constrain the rights* of individual employees but to enhance the collaborative relationship between the Union and signatory California hospitals." (p. 3, emphasis added)

A careful reading of this language is illuminating. First, the language fails to exempt "individual employees" from the Agreement's terms and conditions, which could have been accomplished by stating that the

¹³ For example, the Code of Conduct notes: "The Union shall have rights under the Conditional Access Agreements only after the achievement of a legislative or political solution that meets the previously agreed upon goal of obtaining full Medi-Cal funding and payments to hospitals for services rendered to Medi-Cal beneficiaries to the maximum amount allowed under federal law..." (p. 2). Elsewhere the Code of Conduct states: "In recognition of SEIU-UHW's commitment that Medi-Cal Reform, as agreed to by CHA and SEIU-UHW, will be achieved by December 31, 2016, CHA and SEIU-UHW shall, through multiple strategies, pursue that goal..." (p. 3). Similarly: "... in the first two years of this Agreement, the Committee shall focus on the following agenda: Medi-Cal Reform and funding for hospital services specified and formalized by CHA and the Union, conducted through educational, legislative, regulatory and initiative strategies" (p. 8).

¹⁴ Recording entitled " SEIU-UHW's Dave Regan Discusses Secret Deal with California Hospital Association," YouTube, available at http://sternburgerwithfries.blogspot.com/2013/11/explosive-tape-recording-seiu-uhws-dave.html and https://www.youtube.com/watch?v=0lK86ZTIKLU.

principles **shall not apply** to individual employees. Instead, the language acknowledges that the Agreement applies to "individual employees" and conveys the Parties' aspirational goal that it is "**not meant to** constrain the rights" of those employees. (Emphasis added)

In contrast, the Agreement elsewhere employs clear and unambiguous language to express its meaning. On page 4, the agreement states: "The Union shall not carry out or engage in any 'Anti-Employer Activities' as defined herein" (emphasis added). On page 9, the Agreement states: "...this shall not authorize the Union to sponsor or support legislation, initiatives, or regulatory action adverse to the California hospital industry during the term of this agreement" (emphasis added). On page 4, the Agreement states: "No Party shall engage in personal attacks or make derogatory comments about the other Party or its leadership, including board members" (emphasis added). On page 10, the Agreement states: "The terms of this Agreement shall not be extended to any other labor organization unless that other labor organization agrees to the terms of this Agreement in its entirety." Also on page 10, the Agreement states: "... the obligations and restrictions imposed by the Code of Conduct of this Agreement shall apply to all communications by the Union at all hospitals, including those with existing collective bargaining agreements and relationships."

Likewise, the signatories could have employed similarly unequivocal language to protect employees' rights and also could have enumerated and detailed such protected rights. Instead, the signatories failed to establish such protections for employees.

The Agreement's statement that its "principles... are not meant to constrain the rights of individual employees" is a transparent effort to offer the appearance of compliance with state law without actually doing so. Furthermore, the prohibitions that the Agreement places on SEIU-UHW and its professional staff effectively serve to gag SEIU-UHW's members even if individual employees were not bound by the gag clause. As a practical matter, it is the union's professional staff who have the resources and wherewithal to initiate and pursue regulatory complaints. Many employees are fearful of retaliation and therefore rely on their union to file regulatory complaints on their behalf. By barring SEIU-UHW's professional staff from engaging in any adverse regulatory actions, the Agreement effectively blocks the union's members from undertaking such actions.

Although the Agreement indicates that it applies to all employees who are members of SEIU-UHW, the Agreement places special emphasis on the parties' "representatives." Federal labor law has long held that a union's "Shop Stewards" are considered "representatives" of a union. Among its 45,000 members employed at Kaiser, for instance, SEIU-UHW reportedly has more than 1,000 "Shop Stewards" who are employed at Kaiser's facilities as caregivers and also perform various organizational, leadership, and representational duties on behalf of SEIU-UHW. In addition, SEIU-UHW's officers and directors are undoubtedly bound by the terms of the agreement. According to SEIU-UHW's website, 107 Kaiser employees serve as members of SEIU-UHW's board of directors, which is known as its "Executive Board."

II. Term of the Agreement:

The Agreement "shall be in effect May 5, 2014, through December 31, 2017." (p. 11)

III. Scope of the Gag Clause:

The Code of Conduct details a variety of "obligations and restrictions imposed" (p. 10) on the parties, including a far-reaching gag clause that prohibits SEIU-UHW and its members from engaging in a variety of activities.

A. Prohibition against Pursuing, Sponsoring or Supporting Any Adverse Regulatory, Legislative and Other Efforts: On page 8, the Agreement states:

"The parties agree that during the term of this Agreement, the Parties shall not pursue, sponsor or support any legislation, initiative, regulatory, or other efforts that are adverse to the interests of the other Party, or their sponsors or affiliates." (p. 8) (emphasis added)

B. Prohibition against Instigating or Supporting Any Adverse Action by Any Branch of Government or Third Parties: On page 4, the Agreement proscribes an even broader range of activities. It states the following:

"The Union shall not carry out or engage in any 'Anti-Employer Activities' as defined herein...

"'Anti-Employer Activities' mean the following activities directed at or with respect to CHA or signatory hospitals or health systems and any of their officers, directors, managers or shareholders: actions commonly associated with a corporate campaign; reputation or economic attacks; personal attacks; or instigating or supporting any of the following: litigation (with the exception of litigation to enforce the terms of an existing collective bargaining agreement); adverse action by any branch of government; or adverse action by other third parties." (p. 4) (emphasis added)

The term "any branch of government" arguably covers regulatory enforcement agencies at the local, state, and federal levels. The term "other third parties" appears to include nongovernmental organizations, accreditation agencies, and consumer advocacy groups that perform a vital role in our government's regulatory enforcement system. For example, such organizations include the Joint Commission for the Accreditation of Healthcare Organizations (JCAHO), the National Committee for Quality Assurance (NCQA), Consumers Union, Long-Term Care Ombudspersons, as well as the National Health Law Program, which receives federal funding to protect and advance the health rights of low-income and underserved individuals and families.

C. Prohibition against Communicating with the Government and the Public about Policy Issues, Electoral Campaigns, Issue Education, Lobbying and Legislative Matters: On pages 4-5, the Agreement prohibits SEIU-UHW from "communicating with the government and members of the public" about "policy issues," "electoral campaigns, issue education, lobbying and legislative matters" if such communications "identify a signatory or degrade, attack or make accusations with respect to a signatory or the hospital industry as a whole."

The agreement specifically prohibits SEIU-UHW from issuing any communications that "raise concerns" about the prices that hospitals charge to consumers or the salaries that hospitals and healthcare companies pay to their executives. The Agreement states:

"Examples of communications that degrade or attack a signatory hospital or health system or the hospital industry as a whole include communications raising concerns about hospital pricing and executive compensation in health care." (p. 5)

<u>D. Additional Gag Clauses:</u> In addition to the Code of Conduct, the Parties reportedly signed a "Memorandum of Understanding" (see Exhibit G) that contains additional gag clauses including the following:

"The undersigned organizations, SEIU UHW ("Union") and the hospitals or health systems identified below ("Hospitals") (collectively referred to as "Signatories"), hereby declare their intention that, during the period of time that the Code of Conduct between the California Hospital Association, SEIU UHW and various signatory hospitals and health systems dated May 5, 2014 ("Code of Conduct") is in effect, the Union shall not carry out any adverse public attacks that are directed at any Hospitals that are party to this MOU... [T]he Union shall communicate about the Hospitals in all public venues, excluding non-public communications within the Union, in a manner that does not disparage, demean, or attack the Hospitals, their leaders, or their affiliated organizations." (p. 1)

IV. Apparent Violations of California Law:

The gag clauses appear to violate multiple California statutes and regulations, including but not limited to the following:

A. California Labor Law:

California Labor Code §1102.5(a): "An employer, or any person acting on behalf of the employer, shall not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has authority to investigate, discover, or correct the violation or noncompliance, or from providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee's job duties."

B. California Whistleblower Protection Law for Healthcare Workers:

California Health & Safety Code §1278.5(a): "The Legislature finds and declares that it is the public policy of the State of California to encourage patients, nurses, members of the medical staff, and other health care workers to notify government entities of suspected unsafe patient care and conditions. The

Legislature encourages this reporting in order to protect patients and in order to assist those accreditation and government entities charged with ensuring that health care is safe."

C. The Knox-Keene Health Care Service Plan Act of 1975:

Health & Safety Code Section §1396: "It is unlawful for any person willfully to make any untrue statement of material fact in any application, notice, amendment, report, or other submission filed with the director under this chapter or the regulations adopted thereunder, or willfully to omit to state in any application, notice, or report any material fact which is required to be stated therein."

Health & Safety Code Section §1342: "It is the intent and purpose of the Legislature to promote the delivery and the quality of health and medical care to the people of the State of California who enroll in, or subscribe for the services rendered by, a health care service plan or specialized health care service plan by accomplishing all of the following: ... (e) Promoting effective representation of the interests of subscribers and enrollees."

D. California Labor Law:

California Labor Code §1101: "No employer shall make, adopt, or enforce any rule, regulation, or policy: (a) Forbidding or preventing employees from engaging or participating in politics or from becoming candidates for public office. (b) Controlling or directing, or tending to control or direct the political activities or affiliations of employees."

E. Penalties:

California law establishes penalties for violations of the aforementioned provisions that range from "imprisonment in the county jail not to exceed one year" (California Labor Code §1103) to civil penalties of up to \$25,000 (California Health and Safety Code §1278.5(b)(2)(B)(3)).

EXHIBIT A

Solving the Big Problems Together, A Win-Win Approach for California Healthcare

Code of Conduct

The following agreement lays out a dynamic new pathway for SEIU-UHW and California hospitals to create a relationship that greatly benefits all of us and, more importantly, the patients we serve. The agreement is premised on creating stability and predictability for providers and workers. It aligns our interests so employers and employees are jointly motivated to raise quality, lower costs, improve population health, and create a new model for labor relations that is based on cooperation rather than confrontation. The agreement does this in a number of ways, by:

- 1. Laying out a number of joint public policy activities, a labor-management relationship as reflected in a code of conduct, workforce development, wellness programs, and other means for lowering costs and safeguarding hospital funding; and
- 2. Ensuring that neither side will disparage the other, that every opportunity will be taken to resolve differences quickly and in a professional and non-confrontational manner, and that the parties construct a real relationship based on honesty, mutual respect, and trust.

As healthcare goes through a period of profound change, we have a once-in-a-lifetime opportunity to put aside our past animosities and pre-conceived notions and boldly walk down a new path that can set higher standards for ourselves, and ultimately healthcare across California.

California ranks 49th out of the 50 states in terms of basic Medicaid hospital payments rates.

The current state of Medi-Cal reimbursements: 1) directly threatens the viability of successfully implementing the Affordable Care Act including its Medi-Cal expansion; 2) unnecessarily and unfairly inflates the cost of commercial insurance by forcing consumers and their employers to subsidize the cost of insuring the Medi-Cal population; 3) artificially and unfairly requires hospitals to engage in any number of operational and financial "work-arounds" to spread the burden of Medi-Cal losses across the whole enterprise. Consumers, employers, hospitals and health care workers currently subsidize billions of dollars for care annually to Medi-Cal beneficiaries as a result of inadequate Medi-Cal payments. This is an enormous problem.

Creating the next generation of hospital and health care service delivery in California demands that Medi-Cal be reformed in a way that brings basic fairness and equity to all stakeholders. Specifically, it is the most urgent and immediate issue our relationship seeks to address. The possibility of reforming Medi-Cal in California encapsulates the reasons and the rationale for pursuing a shared, collaborative strategy. We are unified by the fundamental belief that by working together we can successfully solve the biggest and most vexing problems we face. Our experience has taught us that our past failure to work together has produced results which are not worthy of the largest, most diverse and most important state in our nation. We are prepared to correct this mistake and to solve the Medi-Cal problem on behalf of all Californians.

This agreement is the vehicle to take us there.

Purpose and Structure of Agreement

- A. Purpose. The purpose of this Code of Conduct ("Agreement") is to express the shared strategic vision and joint advocacy program of the Parties, as opposed to simply reducing to writing a traditional codification of lowest-common-denominator labor relations practices. Thus, this Agreement is at its core an articulation of the Parties' commitment to improving quality care; to reducing the cost of healthcare; to reforming the financial framework to serve higher quality and lower costs; to making hospital workers the healthiest in California; to making hospital jobs the most desirable in California; and to making California the healthiest state in the country. This Agreement not only embodies these joint commitments, but is premised on the principle that through joint advocacy at the local, state and federal levels for the "common good", we can remake the healthcare system into what is needed at this moment for patients, healthcare workers, and healthcare employers.
- B. Parties. The parties to this Agreement collectively include: the California Hospital Association ("CHA"), the Service Employees International Union, United Healthcare Workers West ("SEIU-UHW" or the "Union"), and hospitals or health systems who are signatories to this Agreement (collectively referred to as "Parties")
- C. Scope. To the extent that a signatory hospital or health system has operations outside of California, this Agreement covers only the signatory's California hospitals.
- D. Conditions Precedent and Subsequent.
 - It is a condition precedent to the consummation and effectuation of this Agreement and
 the mutual rights and responsibilities contained herein among all signatories that CHA
 and SEIU UHW execute this Agreement no later than May 5, 2014. In the event that that
 either CHA or SEIU UHW fails to execute this Agreement by that date, then this
 Agreement shall not go into effect and all signatories shall be released from their
 obligations under this Agreement.
 - 2. By January 1, 2016, various hospitals and health systems in California must execute a conditional agreement providing access rights to the Union at acute care hospitals in California for at least thirty thousand (30,000) non-union, non-supervisory employees ("Conditional Access Agreement"). The Conditional Access Agreement shall be in a form agreeable to the Union and the signatories to the Conditional Access Agreement. The Union shall have rights under the Conditional Access Agreements only after the achievement of a legislative or political solution that meets the previously agreed upon goal of obtaining full Medi-Cal funding and payments to hospitals for services rendered to Medi-Cal beneficiaries to the maximum amount allowed under federal law without reliance on a hospital fee, tax, or assessment program ("Medi-Cal Reform") by December 31, 2016, unless otherwise agreed by the CHA and SEIU-UHW as set forth below.
 Nothing in this Section (D)(2) or elsewhere in this Agreement shall require any signatory

hospital or health system to this Agreement to execute a Conditional Access Agreement. In the event that, by January 1, 2016, an insufficient number of hospitals or health systems execute Conditional Access Agreements to meet the requirement of thirty thousand (30,000) non-union, non-supervisory employees specified above in this Section (D)(2), the Union shall be released from all further obligations under this Agreement, and this Agreement shall terminate.

- 3. This Agreement is contingent upon SEIU UHW not pursuing its pending Fair Healthcare Pricing Act of 2014 and Charitable Hospital Executive Compensation Act.
- 4. This Agreement, including any and all of its terms and obligations, shall not be effective unless and until this Agreement is executed by both CHA and SEIU-UHW. If SEIU-UHW and CHA jointly agree to terminate this Agreement or SEIU-UHW terminates the Agreement as set forth above, then all of its terms are terminated with respect to all signatories.
- 5. In recognition of SEIU-UHW's commitment that Medi-Cal Reform, as agreed to by CHA and SEIU-UHW, will be achieved by December 31, 2016, CHA and SEIU-UHW shall, through multiple strategies, pursue that goal and periodically evaluate progress towards the goal, and may, by mutual consent, adjust the goal, strategies and tactics.

I. A Code of Conduct For a Healthy Relationship

A. Principles.

It is in all Californians' best interests for employees and employers to create and maintain a trust-based, stable relationship. Should employees choose to be represented by a Union, it is the responsibility of hospitals and the Union to build a relationship that serves employees, the hospital, and, most of all, patients. Even at hospitals where the Union does not represent employees, non-union hospitals and the Union share a basic set of common values, focused on creating a sustainable health care system that works for patients, workers, and hospitals, which can be expressed through joint advocacy at all levels of government.

The following principles, which apply to SEIU-UHW and signatory hospital(s) and health systems and CHA, are aimed at creating an atmosphere based on mutual respect, truthful communications, and freedom from coercion. The principles apply to the Union, signatory hospitals and health systems, their subordinates in California and their representatives and are not meant to constrain the rights of individual employees but to enhance the collaborative relationship between the Union and signatory California hospitals.

B. Mutual Respect and Collaborative Problem-Solving

1. During the term of this Agreement, the Parties shall establish and maintain their relationship in a manner that is built on honesty, mutual respect, trust, and joint

commitment to problem-solving. All communications by the Union about CHA or a signatory hospital or health system and all communications by CHA or a signatory hospital or health system about the Union shall be factual and shall focus on the merits of particular policies or issues. Differences, if any, shall be addressed in a positive manner. No Party shall engage in personal attacks or make derogatory comments about the other Party or its leadership, including board members. The Parties will not utilize surrogates to engage in any activity not permitted to the Party itself under this Agreement. Nothing herein restricts any Party in responding to statements or actions initiated by non-parties, including non-party entities that are related to, but are not subordinate to, the Parties to this Agreement. The Union shall not carry out or engage in any "Anti-Employer Activities" as defined herein. Neither the CHA nor signatory hospitals or health systems shall carry out or engage in any "Anti-Union Activities" as defined herein. Nothing in this Section I shall adversely impact the current rights of any employee under a collective bargaining agreement at any of the signatory hospitals or health systems or any other agreement between the Union and signatory hospitals or health systems, unless such agreements are modified by mutual written agreement and approved in accordance with the applicable ratification procedure. Further, the provisions of this Section I shall not diminish in any way the commitments and obligations set forth elsewhere in agreements between the Union and signatory hospitals or health systems. The Union agrees that its activities shall be conducted in a manner that does not interfere with the delivery of patient care or business operations.

- 2. "Anti-Employer Activities" mean the following activities directed at or with respect to CHA or signatory hospitals or health systems and any of their officers, directors, managers or shareholders: actions commonly associated with a corporate campaign; reputation or economic attacks; personal attacks; or instigating or supporting any of the following: litigation (with the exception of litigation to enforce the terms of an existing collective bargaining agreement); adverse action by any branch of government; or adverse actions by other third parties.
- 3. "Anti-Union Activities" mean the following activities directed at or with respect to the Union and any of its officers, trustees, employees or leaders: reputation or economic attacks; personal attacks; or instigating or supporting any of the following: litigation (with the exception of litigation to enforce the terms of an existing collective bargaining agreement or to address work-related misconduct); adverse action by any branch of government; or adverse actions by other third parties.
- 4. It shall not be deemed an Anti-Employer Activity to do any of the following:
 - a. Communicate with the government and members of the public (including employees of signatory hospitals or health systems) about policy issues that affect a significant portion of the health care industry, even if the parties differ over such issues, as long as such communication does not does not identify a signatory or degrade, attack or

make accusations with respect to a signatory or the hospital industry as a whole. Examples of communications that degrade or attack a signatory hospital or health system or the hospital industry as a whole include communications raising concerns about hospital pricing and executive compensation in health care. This does not apply to non-signatories;

- b. Communicate with the government and members of the public (including employees of signatory hospitals) about electoral campaigns, issue education, lobbying and legislative matters, as long as such communication does not identify a signatory hospital or health system or degrade, attack or make accusations with respect to a signatory hospital or health system or the hospital industry as a whole. This does not apply to non-signatories;
- c. Communicate without restriction on the content of communications with the staff and leadership of Union;
- d. Communicate without restriction on the content of communications with employees whom Union represents or whom they seek to represent as long as such conduct is consistent with all applicable laws, labor relations accord, collective bargaining agreements and the provisions of this Section I (Code of Conduct);
- e. Engage in bargaining, representation, employee advocacy, policy, electoral, lobbying, legislative and/or organizing activities as they apply to employees of signatory hospitals or health systems, as long as such conduct is consistent with all applicable laws, labor relations accord, collective bargaining agreements and the provisions of this Section I (Code of Conduct);
- f. With respect to a dispute that arises out of an existing collective bargaining relationship, the Union may pursue judicial or governmental action as permitted in subsection B(4)(g) below, but for each such dispute in this subsection only after the "Joint Problem-Solving Procedure" has been followed and the conduct is otherwise permitted under the law and any applicable collective bargaining agreement and the communications related to the dispute are consistent with this Section I (Code of Conduct); and
- g. Pursue judicial and/or governmental action with respect to a dispute arising from contractual or employment-related issues of employees of signatory hospitals or health systems including seeking enforcement of employees' rights under federal, state or local law, as long as the relief sought is limited to represented employees of signatory hospitals or health systems, and provided that the Parties comply with the applicable collective bargaining agreement and that communications related to the dispute are consistent with this Section I (Code of Conduct).

- 5. It shall not be deemed an Anti-Union activity to do any of the following:
 - a. Communicate with the government and members of the public (including employees of signatory hospitals or health systems) about policy issues that affect a significant portion of the health care industry, even if the parties differ over such issues, as long as such communication does not degrade, attack or make accusations with respect to the Union. This does not apply to non-signatories.
 - b. Communicate with the government and members of the public (including employees of signatory hospitals or health systems) about electoral campaigns, issue education, lobbying and legislative matters, as long as such communication does not degrade, attack or make accusations with respect to the Union. This does not apply to non-signatories;
 - c. Communicate without restriction on the content of communications with the leadership and supervisory staff of signatory hospitals and health systems;
 - d. Communicate without restriction on the content of communications with the nonsupervisory employees of signatory hospitals or health systems, as long as such communications comply with any other agreements in effect between the Parties, including the provisions of this Section I (Code of Conduct);
 - e. Engage in bargaining, representation, employee advocacy, policy, electoral, lobbying, legislative and/or management activities as it applies to employees of signatory hospitals or health systems, as long as such conduct is consistent with all applicable laws, labor relations accord, or collective bargaining agreements and the provisions of this Section I (Code of Conduct);
 - f. With respect to a dispute that arises out of an existing collective bargaining relationship a signatory may pursue judicial or governmental action as permitted in subsection B(5)(g), below but for each such dispute in this subsection only after the "Joint Problem-Solving Procedures" set forth below in subsection III(A) have been followed and the conduct is otherwise permitted under the law and any applicable collective bargaining agreement and the communications related to the dispute are consistent with this Section I (Code of Conduct). Notwithstanding the foregoing, no signatory shall engage in any efforts to encourage decertification of Union in accordance with the law; and
 - g. Pursue judicial and/or governmental action with respect to a dispute arising from contractual or employment-related issues of employees of signatory hospitals or health systems, including seeking enforcement of a signatory hospital's or health system's rights under federal, state or local law, as long as the relief as sought is limited to employees of the signatory hospital or health system, and provided that the Parties comply with any applicable collective bargaining agreement and that the

communications related to the dispute are consistent with this Section I (Code of Conduct).

6. Any group or one-on-one meeting between the signatory hospitals or health systems and their non-supervisory employees on the subject of unionization will be held in accordance with this Agreement. Likewise, the Union shall respect the boundaries of the Agreement, and its actions shall be in accordance with this Agreement and not interfere with the delivery of patient care or the business operations of the signatory hospital or health system.

7. Joint Problem-Solving Procedures:

- a. The parties may pursue the activities subject to and permitted under subsections 4(g) and 5(g) above only if the signatory or Union involved complete the dispute resolution process set forth below in Part III of this Agreement, including both the Joint Problem-Solving Procedures and Arbitration;
- b. The parties do not need to exhaust this process before seeking relief from an outside agency or court if an alleged violation involves an imminent threat to the health and safety of an employee or the public, if the claim would otherwise be time-barred if not filed, or if a Party would suffer irreparable injury if the claim is not immediately filed.

II. Joint Advocacy and Shared Responsibilities

A. Joint Advocacy Fund:

The Union and all signatory hospitals and health systems agree to establish an industry-wide Labor Management Cooperation Committee (the "Committee"), as permitted by the Labor Management Cooperation Act of 1978 ("LMCA"), for the purposes of jointly advocating for improved communication between representatives of labor and management; providing healthcare workers and employers with opportunities to study and explore new and innovative joint approaches to achieving organizational effectiveness; assisting healthcare workers and employers in solving problems of mutual concern not susceptible to resolution through traditional collective bargaining process; studying and exploring ways of eliminating potential problems which reduce the competitiveness and inhibit the economic development of the healthcare industry in California; enhancing the involvement of healthcare workers in making decisions that

affect their working lives; expanding and improving working relationships between healthcare workers and managers; and any other permissible purposes under the LMCA.

- 1. All signatories to this Agreement shall be required to participate in the Committee. Signatory hospitals and health systems shall designate the Chief Executive Officer ("CEO") of CHA as their representative on the Committee; the Union shall designate the President of the Union as its representative on the Committee. Nothing contained herein shall prohibit the parties from mutually agreeing to designate more representatives to the Committee. The Committee shall not advance any agenda without the approval of the CEO of CHA and the President of the Union. The Committee shall be funded by contributions as mutually agreed to by CHA and the Union and consistent with the LMCA. The Committee may be funded by additional means as agreed to by the parties.
- 2. As provided in the LMCA, in the first two years of this Agreement, the Committee shall focus on the following agenda: Medi-Cal Reform and funding for hospital services as specified and formalized by CHA and the Union, conducted through educational, legislative, regulatory and initiative strategies. The Committee may also address other mutually agreed upon issues as permitted by the LMCA.
- 3. In the event this Agreement terminates or becomes null and void prior to the expenditure of the Committee funds, unencumbered funds shall be distributed back to the parties in proportion to contributions made to the Committee.
- B. The Parties also agree to jointly and publicly support the following initiatives and principles: Let's Get Healthy California; the principle that Team Care is Great Care; the principle that compensation should include consideration of a pay for performance model based upon improvements in quality of care and the financial strength of hospitals and health systems; the goal of promoting a healthy workplace through wellness programs; workforce development; and removing administrative, legal and regulatory impediments to caregivers being able to work at the top of their scope of practice, and allowing hospitals to staff to the needs of their patients.
- C. The parties agree that during the term of this Agreement, the Parties shall not pursue, sponsor or support any legislation, initiative, regulatory, or other efforts that are adverse to the interests of the other Party, or their sponsors or affiliates. Notwithstanding this section, a Party may take whatever action is necessary and appropriate to respond to

the activities of third parties, except that this shall not authorize the Union to sponsor or support legislations, initiatives, or regulatory action adverse to the California hospital industry during the terms of this Agreement. Nothing herein prohibits the parties to this Agreement from engaging in the above activities with respect solely to non-signatories to this Agreement.

D. At the execution of this Agreement, SEIU-UHW and CHA will file a joint statement.

III. Meaningful Enforcement of the Agreement

- A. Joint Problem-Solving Procedure: The Union and the signatory hospitals or health systems shall work cooperatively to resolve problems informally whenever possible. The Union shall designate a top-level representative to work with signatory hospitals or health systems to discuss and resolve complaints related to this Agreement. Each individual signatory hospital or health system shall designate a top-level representative to work with the Union to discuss and resolve complaints related to this Agreement involving its hospital(s). If one Party believes that another Party has violated this Agreement, the affected Party should contact the other Party's representative by e-mail. The parties should have a direct conversation within forty-eight (48) hours of the e-mail notification to try to resolve the issue. When the parties agree that a violation has occurred, and it is possible to immediately correct the problem, the Party responsible for the violation will make a good faith effort to correct the problem within twenty-four (24) hours. Unresolved matters involving alleged violations of this Agreement may be referred to the Arbitrator.
- B. The Parties shall designate an Arbitrator and an Alternate Arbitrator by June 1, 2014, or by another mutually agreeable date. The designated Arbitrator shall resolve any disputes over the application and interpretation of this Agreement. The Arbitrator shall have final and binding authority to enforce this Agreement and resolve issues that rise during the course of this Agreement. The Arbitrator shall also have the authority to establish procedures and timelines for addressing issues and alleged violations.
- C. The Union and individual signatory hospitals or health systems may agree to abide by additional rules, provided such agreements are signed in writing and mutually agreed to by the relevant parties.

IV. Miscellaneous Provisions

A. Existing Collective Bargaining Relationships

1. Existing collective bargaining agreements are not modified by this Agreement.

Notwithstanding the foregoing, the obligations and restrictions imposed by the Code of Conduct of this Agreement shall apply to all communications by the Union at all hospitals, including those with existing collective bargaining agreements and relationships.

2. Nothing in this Agreement shall prevent the signatory hospitals or health systems and the Union from jointly negotiating modifications to collective bargaining agreements that are currently in effect, provided that the modifications shall be consistent with the provisions herein.

B. No Effect on Lawful Policies and Timelines

- 1. Nothing in this Agreement shall limit or otherwise affect the right of the signatory hospital or health systems to have and enforce lawful policies, including but not limited to policies related to solicitation and distribution, except as modified by this Agreement.
- 2. This Agreement shall have no effect on the timelines otherwise applicable under the law or other agreements in place between the parties to this Agreement.

C. No Third-Party Beneficiaries

- 1. The parties agree that this Agreement is not intended to, and does not create any third-party beneficiaries to its terms and that neither employees nor any other person, Party, or entity of any type is vested with any right under this Agreement. Therefore, no Party other than the Party represented by the signatories hereto shall have any right to bring any action under this Agreement or enforce any provision under this Agreement.
- 2. The terms of this Agreement shall not be extended to any other labor organization unless that other labor organization agrees to the terms of this Agreement in its entirety.

D. Solutions to Current Ballot Initiatives.

The Union and signatory hospitals and health systems (through CHA) agree to work in good faith together to address the matters encompassed by the Fair Healthcare Pricing Act of 2014 and Charitable Hospital Executive Compensation Act of 2014 by seeking

legislative, regulatory, voluntary approval of CHA's modern hospital pricing model or an alternative pricing model, and through public disclosure of executive compensation.

E. Term.

Subject to other provisions of this Agreement, this Agreement shall be in effect May 5, 2014, through December 31, 2017.

- F. This Agreement may be signed in counterpart. Copies of signatures sent via facsimile or email shall be binding upon the parties.
- G. Following the execution of this Agreement, the parties agree to discuss making formatting changes and other non-substantive corrections to the documents.

Approved and Signed by:

SEIU-UHW	[Name of Hospital/Health System] Signatory Hospital
By: (print name of person signing) Title:	By: (print name of person signing) Title:
СНА	
By: (print name of person signing)	
Title:	

EXHIBIT B

From: Ruth Ferguson [mailto:rferguson@calhospital.org] On Behalf Of C. Duane Dauner

Sent: Friday, January 24, 2014 11:32 AM

To: C. Duane Dauner

Subject: ** URGENT ATTENTION ** Meeting with Select Hospital/Health System Representatives &

Joint Meeting with SEIU-UHW / January 27, 2014 / 9:30am-12Noon and 12Noon-2:30pm

Importance: High



Providing Leadership in Health Policy and Advocacy

January 24, 2014

TO: Select Hospital/Health Systems Representatives

FROM: C. Duane Dauner, President/CEO

SUBJECT: IN-PERSON MEETING WITH SELECT HOSPITAL/HEALTH SYSTEM

REPRESENTATIVES

January 27, 2014 / 9:30 a.m.—12 Noon JOINT MEETING WITH SEIU-UHW January 27, 2014 / 12 Noon—2:30 p.m. Kaiser Foundation Health Plan & Hospitals

1950 Franklin Street, 2nd Floor

Conference Room 2C Oakland, CA 94612

Telephone: (510) 987-4872

Thank you for taking time from your schedule to participate in the meeting of select hospital/health system representatives, and the joint meeting with Service Employees International Union-United Healthcare Workers West (SEIU-UHW), on *January 27, 2014 from 9:30 a.m. to 12 Noon and 12 Noon to 2:30 p.m., respectively,* at Kaiser Foundation Health Plan & Hospitals, 1950 Franklin Street, 2nd Floor, Conference Room 2C, Oakland. Lunch will be provided.

The agenda for the meeting is attached. The meeting schedule and participant list follows:

Time	Purpose	Participants
9:30 a.m12 Noon	Discussions with CHA and Hospital/Health	•
	Systems Representatives	System Representatives Thomas J. Schneider

CHA Hospital/Health System Representatives and SEIU-UHW Representatives

Parking is available in the parking garage across the street from Kaiser. On Level 3 there is a walkway which takes you to Level 2 of the Kaiser office (this is the same level as the meeting location — Conference Room 2C). Your parking voucher will be validated at the meeting. When arriving on Level 2, you will need to pass through a security check. Your name will be on the security list.

I look forward to meeting with you on January 27.

CDD:rf Attachment

Notice: This e-mail (including attachments) is covered by the Electronic Communications Privacy Act, 18 U.S.C. 2510-2521, is confidential and may be legally privileged. If you are not the intended recipient, you are hereby notified that any retention, dissemination, distribution, or copying of this communications is strictly prohibited. Please reply to the sender that you have received the message in error, then delete it. Thank you.



IN-PERSON MEETING WITH SELECT HOSPITAL/HEALTH SYSTEM REPRESENTATIVES AND JOINT MEETING WITH SEIU-UHW

January 27, 2014 9:30 a.m.-12 Noon and 12 Noon-2:30 p.m.

Kaiser Foundation Health Plan & Hospitals 1950 Franklin Street, 2nd Floor Conference Room 2C Oakland, CA 94612 Telephone (510) 987-4872

AGENDA

<u>ITEM</u>	SUBJECT	<u>REPORTING</u>
I.	CALL TO ORDER	LARET
II.	PRESENTATION	DAUNER/SCHNEIDER
III.	OPTIONS	DAUNER/SCHNEIDER
IV.	PREPARATION FOR 12 NOON-2:30 P.M. MEETING WITH SEIU-UHW	LARET/DAUNER
V.	OTHER BUSINESS	LARET
VI.	ADJOURNMENT	LARET
CDD:r	${f f}$	

EXHIBIT C





For Immediate Release: Tuesday May 6, 2014

CA Hospitals, SEIU-UHW Reach Agreement to Improve Healthcare, Create New Model of Labor Relations

A broad range of California hospitals and hospital systems and the state's largest union of hospital workers, SEIU-United Healthcare Workers West (SEIU-UHW), have signed a breakthrough agreement to form a strategic relationship that will change the face of healthcare in California and serve as a new national model for how employers and unions interact.

The relationship is unique because it is centered on a shared strategic vision of improving health and healthcare delivery in California, rather than a traditional labor agreement designed solely to codify conventional labor relations practices.

The centerpiece of the new accord is the establishment of a \$100 million joint advocacy committee to drive improvements to the healthcare delivery system that could not be obtained through direct negotiation between employers and labor unions. A key goal for the relationship is to stabilize California's healthcare safety net, including an increase in California's Medi-Cal payments, which currently are 49th in the nation. This will be accomplished by identifying new resources and financing approaches at the federal and state levels, including educational activities, legislative and regulatory efforts, a ballot initiative, or other strategies.

Increasing Medi-Cal payments to hospitals will improve access to care for California's low-income residents and reduce health care costs for everyone who has private health insurance.

"We are in a unique period in the history of healthcare in the United States, and that called for a unique agreement between SEIU-UHW and the hospital industry. We have created a new relationship to ensure that our healthcare system itself remains healthy and that it can continue providing patients the highest level of care," said Dave Regan, President of SEIU-UHW.

"CHA has been involved for several years in national efforts to address the complexities in hospital pricing and to reform the payment structure of the Medicaid program," CHA President/CEO C. Duane Dauner stated. "We are pleased that SEIU-UHW will join us in finding workable solutions."

The agreement provides for a code of conduct that will govern conversations between union representatives and hospital employees.

The two sides will seek legislation, regulations or voluntary compliance to address the issues raised in SEIU-UHW's two ballot initiatives, which will not be pursued. This will include modernizing the hospital pricing system and exploring greater transparency of executive compensation.

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For more information contact:

Jan Emerson-Shea California Hospital Association (916) 804-0663 Steve Trossman SEIU-UHW 213-300-1882



CA Hospitals, SEIU-UHW Reach Agreement to Improve Healthcare, Create New Model of Labor Relations

SACRAMENTO, Calif., May 6, 2014 /PRNewswire-USNewswire/ -- A broad range of California hospitals and hospital systems and the state's largest union of hospital workers, SEIU-United Healthcare Workers West (SEIU-UHW), have signed a breakthrough agreement to form a strategic relationship that will change the face of healthcare in California and serve as a new national model for how employers and unions interact.

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The two sides will seek legislation, regulations or voluntary compliance to address the issues raised in SEIU-UHW's two ballot initiatives, which will not be pursued. This will include modernizing the hospital pricing system and exploring greater transparency of executive compensation.

SOURCE California Hospital Association

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http://www.prnewswire.com/news-releases/ca-hospitals-seiu-uhw-reach-agreement-to-improve-healthcare-create-new-model-of-labor-relations-258167151.html





Dear Member of the Legislature:

We are writing to announce that a broad range of California hospitals and hospital systems and the state's largest union of hospital workers, SEIU-United Healthcare Workers West (SEIU-UHW), have signed a breakthrough agreement creating a strategic relationship to change the face of healthcare and serve as new national model for how employers and unions can effectively cooperate.

The relationship is unique because it is centered on a shared strategic vision of improving health and healthcare delivery, rather than a traditional labor agreement focused solely on conventional labor relations practices. The agreement also provides for a code of conduct that will govern conversations between union representatives and hospital employees.

The centerpiece of the new accord is the establishment of a joint advocacy committee to drive improvements to the healthcare delivery system. A key goal for the relationship is to stabilize California's healthcare safety net, including an increase in California's Medi-Cal payments, which currently are 49th in the nation. This will be accomplished by identifying new resources and financing approaches at the federal and state levels, including educational activities, legislative and regulatory efforts, a ballot initiative, or other strategies. Adequate Medi-Cal payments will increase access to care for low-income residents while at the same time reducing health care costs for everyone who has private health insurance.

Additionally, we will seek legislation, regulations or voluntary compliance to address the issues raised in SEIU-UHW's two hospital ballot initiatives, which will not be pursued. This includes modernizing the hospital pricing system and exploring greater transparency of executive compensation.

Both organizations weighed the consequences of a costly and divisive ballot fight against our track record of successful collaboration and determined that cooperation is the best way to deliver the highest quality care to the people of California.

California is at a critical stage in the overall national effort to improve access to quality, affordable healthcare, and much remains to be done. This relationship will help drive that work forward. We look forward to working with you and all policy makers to tackle these challenges together.

Sincerely,

C. Duane Dauner President/CEO

California Hospital Association

Dave Regan President

SEIU-UHW





Solving Big Problems Together

A Unique Agreement between California hospitals and SEIU-UHW May 5, 2014

The agreement lays out a dynamic new pathway for SEIU-UHW and California hospitals to create a relationship that benefits patients, caregivers, and healthcare providers. The agreement creates a powerful relationship to raise quality care, lower costs, and improve the health of Californians. It is designed to create an entirely new model for labor relations that is based on cooperation rather than confrontation, and on joint problem solving that benefits the public, employees, and providers.

Here are the major features:

Length of agreement: May 5, 2014 through December 31, 2017.

Parties: A wide range of hospitals and health systems covering a majority of hospital beds in California, the California Hospital Association, and the Service Employees International Union-United Healthcare Workers West (SEIU-UHW).

Joint advocacy: The centerpiece of the new accord is the establishment of a \$100 million joint advocacy fund to drive improvements to the healthcare delivery system. A key goal for the relationship is to stabilize California's healthcare safety net, including an increase in the state's Medi-Cal payments, which currently are 49th in the nation. This will be accomplished by identifying new resources and financing approaches at the federal and state levels, including educational activities, legislative and regulatory efforts, a ballot initiative, or other strategies. Adequate Medi-Cal payment payments will increase access to care for low-income residents while at the same time reducing health care costs for everyone who has private health insurance.

Code of conduct: The agreement calls for both the union and employers to engage in positive, factual communications that are designed to build and maintain a trust-based relationship rather than the confrontational relationship that characterizes the majority of employer-union relationships. It calls on employers and employees to focus on a basic set of common values focused on creating a sustainable health care system that works for everyone. And it will govern conversations between union representatives and tens of thousands of hospital employees about improving healthcare, fixing Medi-Cal, and unionization.

Ballot initiatives: Hospitals and SEIU-UHW will seek legislation, regulations or voluntary compliance to address the issues raised in SEIU-UHW's two hospital ballot initiatives, which will not be pursued. This includes modernizing the hospital pricing system and exploring greater transparency of executive compensation.

EXHIBIT D

Executive Board Meeting July 31 - August 2, 2014: Monterey - APPROVED December 6, 2014

President Dave Regan opened the meeting at 3:15 and stated that overhauling Medi-Cal is the most important challenge facing all healthcare workers in California. We are working with partners in the hospital industry to improve both Medi-Cal quality and funding to truly reform California's healthcare safety net.

A panel of SEIU-UHW Hospital Industry Partners: **Greg Adams (Kaiser)**, **Wade Rose (Dignity Health)**, **C. Duane Dauner (CHA)** discussed their own reasons for pursing healthcare careers and then described the trends in the industry and the industry's perspective on reforming Medi-Cal.

A panel of SEIU-UHW Executive Board members spoke about why they chose work in healthcare; described the work members had engaged in to enroll the community in Obamacare and the importance of Medi-Cal reform: Julian Gomez (Kaiser Downey); Karen Linzy (Daughters of Charity St. Francis), Kriss Brito (Sacramento IHSS), Antonia Aldaco (Palo Alto Nursing Center), and Marsha Richardson (Dignity California Hospital).

Dave Regan reintroduced Greg Adams (Kaiser) and Wade Rose (Dignity Health) and talked about all of the work SEIU-UHW has done over the past few years to improve health in California and how it has led us to partnership with CHA. He opened the floor for questions and discussion about the future of healthcare in California and how we can work together in partnership to reform Medi-Cal.

Dave Regan and opened the meeting at 9:15am with the installation of new members of the Executive Board.

Dave Regan called for a motion to approve the minutes from the April 2014 Executive Board meeting. The minutes were duly approved by the Executive Board.

Dave Regan reflected on the discussion yesterday with executives from Kaiser, Dignity Health, and the CHA. He discussed two major changes since the April Board meeting: completing our agreement with the hospital industry and the verdict in Harris v. Quinn. The Executive Board watched a video about the growing power of the Koch brothers and their anti-union, anti-worker agenda, and Dave Regan described how the Koch brothers are trying to cripple unions.

Vice President Stan Lyles introduced the Financial Team and presented an overview of the financial and budget responsibilities. They reported that the annual audit confirmed that the union is financial healthy and conducting its financial operations with integrity. They also reported on the adjustments made to our budget as a result of the Harris v. Quinn decision.

Dave Regan outlined SEIU-UHW's response to the challenges presented by Harris v. Quinn including ongoing homecare membership blitzes and raising COPE. He reported that 60% of the Executive Board met the challenge of collecting at least 10 COPE cards at \$10 each.

He described the four opportunities over the next two years to fix California's Medi-Cal program: the 2015 state budget, the 1115 federal waiver, the 2016 state budget, and the November 2016 initiative process. By January 1, 2016, UHW and the CHA need to determine our definition of success for fixing Medi-Cal. We also need to reach out to the rest of the healthcare industry including medical groups, nursing homes, agency homecare, and clinics to bring them into our

Medi-Cal solution because the workforce is moving from hospitals to outpatient, ambulatory, and home based care. We must fix Medi-Cal to prevent a two-tiered system of healthcare in California.

Executive Committee Member Arianna Jimenez, Political Director, reported on the political work of SEIU-UHW and the upcoming campaigns for COPE, lobbying, and to win key races during the November mid-term election.

Executive Committee Member Cass Gualvez, Organizing Director discussed the formation of the Committee of Organizing Leaders (COOL) who will lead our work organizing healthcare workers throughout California.

Executive Committee Member Marcus Hatcher, Representational Excellence Director, described the on-going work of the Representational Excellence Committee to provide training to stewards who will lead on this work.

Director of Healthcare Outreach Flannery Hauck discussed the formation of the Premier Healthcare Leadership Team and its ongoing work with community members, non-profit groups, the California Endowment, and the uninsured to improve health in California.

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Dave Regan opened the session at 8:00 AM

Dave Regan introduced <u>RESOLUTION 13-14: FUNDING FOR OUR CAMPAIGN FOR MEDI-CAL REFORM IN CALIFORNIA</u> to provide SEIU-UHW's funding for our joint fund to partner with the CHA. The resolution was moved, seconded, discussed and duly approved by the Executive Board.

The **Leadership Assembly Program Committee** reported on the program for the upcoming "Courage to Lead for a Healthy California" Leadership Assembly in Sacramento September 3-6.

The Election Committee reported on the executive board vacancy elections scheduled for the Fall.

Following Division breakout sessions, the floor was opened for an open forum.

Dave Regan adjourned the meeting at 12:50.

EXHIBIT E

E-Board Meeting Minutes 7-31 through 8-1-2014

- Meeting started at 1515, Dave speaking. We have Members of the CHA with us today, Kaiser,
 Dignity-Health; we will take action at this e-board meeting.
 - We are the leaders of the largest healthcare union in the U.S.
 - o California is the richest state in the US.
- Dave turned the meeting Over to Eustenia Gonzales she works for Dignity-Health in Bakersfield.
 - o We have an agreement with CHA.
 - Greg Adams (CEO) from Kaiser
 - Wade Rhoades from Dignity-Health Vice president for external
 - Dewayne Donner The president of CHA
 - Judy Coffin executive Counsel for Dignity-Health
- Estenia Gonzalez has three questions for each panelist
 - Why did you pick healthcare?
 - What is your Background:
 - o What is your proudest and most memorable moment?

Greg Adams:

- o Became an RN to start
- O Always tells the story about being in nursing administration. Was in Texas and hospital was going bankrupt, The KKK did a Rally and was boycotting his hospitals because they hired people of color He banded with the people of color and the Physcians and turned the Hospital around.
- o He is committed to change the Medical pay system in California
- o Q: what trends and issues do you see in healthcare in the coming years and what does it mean for acute care and long-term care in California:
 - Answer: if we want to change the medical we need to lead and help make the tuff decision. We have to have quality; it helps to drive down the cost. Embrace the change. We know we have to change to move California healthcare into a new space. Ultimately we all need to get their together.

Dewayne Donner

- He has two doctorate degrees intending to be a college professor.
- o He started a Malpractice insurance co and helped develop the Hospital provider fee reimbursement in California.
- We want to maintain the living wage that is paid to all but, the cost continue to go up.
 We cannot keep up this practice. We have to have universal changes throughout this system.
- o We have a specific goal to fix medical, but in our weekly meetings we are working on more than medical.

Wade Rhoades

- o He was on Jerry Brown's staff
- o Republican
- Comprehensive healthcare reform (Arnold Schwarzenegger) worked on this issue. He
 believes that the only way to fix healthcare in Cali is by Political action and reform

E-Board Meeting Minutes 7-31 through 8-1-2014

- o It's not going to be easy and we are shaking up the whole sytem
- Reform is not about changing medical science it's about changing the management of the medical delivery system. The new Physician needs an extended team. The new healthcare system needs to be about preventative healthcare and not about reactive healthcare.
- Karen Lindsey Daughters of Charity: speaking about her experience working with patients
- Chris Brittle: Homecare from Sacramento. Quit her job with the State of California to take care
 of her child.
- Antonia Adalco: Nursing Home has son born with congenital cataracts
- Marci Richardson: 25 years ago got a job in the Emergency Room. Had a patient at the Hospital for 365 days and walked out the door
- Dave Regan and SEIU-UHW were instrumental in getting the governor to sign the "let Get Healthy California"
- SEIU-UHW organized the Asthma walk from Fresno to Sacramento.
- SEIU-UHW helped sign-up over 12,337 new people insured for healthcare.
- June 4th 2013 Rally in Sacramento for Medi-cal reform we are Medi-Cal stop the cuts.
- Marcia Richardson: had a brother with no insurance. Had multiple trips to the Emergency Room and ended up with Back surgery. We all have somebody we know that does not have insurance. We need to fix Medi-cal.
- Question given to the body: What surprised or moved you about the panels discussions and why?
- Dave Reagan back on stage at 1700: on stage with hjim are Wade Rhoades (Dignity-Health) and
 Greg Adams (CEO Kaiser) the fixing of the Medi-cal is an outgrowth of all that has preceded it.
- Q&A with Dave Regan, Greg Adams, Wade Rhoades. They don't have a plan on how they will
 get the message out to the facility level management. They will have an internal plan to work
 together. Wade Rhoades says that Medi-cal has to be modernized.
- Q&A With Dave Regan Wade Rhoades, Greg Adams ended at 1750.
- Al Green took the stage: He started a Malpractice insurance co and helped develop the Hospital provider fee reimbursement in California

EXHIBIT F

Business Entities (BE)

Online Services

- E-File Statements of Information for Corporations
- Business Search
- Processing Times - Disclosure Search

Main Page

Service Options

Name Availability

Forms, Samples & Fees

Statements of Information (annual/biennial reports)

Filing Tips

Information Requests (certificates, copies & status reports)

Service of Process

FAQs

Contact Information

Resources

- Business Resources
- Tax Information
- Starting A Business

Customer Alerts

- Business Identity Theft
- Misleading Business
 Solicitations

Business Entity Detail

Data is updated to the California Business Search on Wednesday and Saturday mornings. Results reflect work processed through Friday, June 05, 2015. Please refer to **Processing Times** for the received dates of filings currently being processed. The data provided is not a complete or certified record of an entity.

Entity Name:	CARING FOR CALIFORNIANS, A LABOR MANAGEMENT COMMITTEE
Entity Number:	C3710966
Date Filed:	09/17/2014
Status:	ACTIVE
Jurisdiction:	CALIFORNIA
Entity_Address:	1215 K ST., SUITE 2050
Entity City, State, Zip:	SACRAMENTO CA 95814
Agent for Service of Process.	STEVEN CHIODINI
Agent-Address:	235 MONTGOMERY ST., SUITE 1220
Agent City, State, Zip:	SAN FRANCISCO CA 94104

- * Indicates the information is not contained in the California Secretary of State's database.
 - If the status of the corporation is "Surrender," the agent for service of process is automatically
 revoked. Please refer to California Corporations Code section 2114 for information relating to
 service upon corporations that have surrendered.
 - For information on checking or reserving a name, refer to Name Availability.
 - For information on ordering certificates, copies of documents and/or status reports or to request a more extensive search, refer to Information Requests.
 - For help with searching an entity name, refer to Search Tips.
 - For descriptions of the various fields and status types, refer to Field Descriptions and Status Definitions.

Modify Search New Search Printer Friendly Back to Search Results

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EXHIBIT G



Broad Coalition of Doctors, Nurses, Hospitals and Other Healthcare Leaders Launches \$10 Million Paid Media Campaign in California To Fully Fund Medi-Cal

SACRAMENTO, Calif., May 11, 2015 /PRNewswire-USNewswire/ -- "We Care for California," a broad coalition of doctors, nurses, hospitals, workers, and other healthcare leaders, launched a statewide paid media campaign today calling on the State of California to fully fund Medi-Cal to bring payments to providers in line with the rates paid by Medicare.

The eight-week campaign is the beginning of a sustained effort to help Californians and state leaders understand how the severe underfunding of Medi-Cal harms millions of children, seniors in nursing homes, pregnant women, and people with disabilities, all of whom have difficulty getting access to the healthcare they need.

The campaign includes English and Spanish TV, radio, direct mail, outdoor billboards, and online calls to action. The TV ads are running in Los Angeles, San Francisco, San Diego, and Sacramento. A selection of TV advertisements can be viewed on www.Medi-CalMatters.org.

More than half of California children rely on Medi-Cal for basic healthcare, as do two-thirds of the state's nursing home patients. But today, Medi-Cal is critically underfunded, preventing millions from getting quality healthcare or even getting an appointment with a health provider.

"As Californians, we have a moral responsibility to ensure the most vulnerable among us have access to basic medical services," said Dr. Noha Abeolata, M.D., a family practitioner and CEO of Roots Community Clinic in Oakland, who is featured in the TV advertisements. "Fully funding Medi-Cal must be a priority in Sacramento. California families are depending on us."

The coalition is seeking passage of two bills, SB 243 and AB 366, which would fully fund Medi-Cal, and want Gov. Jerry Brown to make significant movement toward fully funding Medi-Cal in his May revised budget.

With the chronic underfunding of Medi-Cal, California ranks 48th in the nation in payments to health providers. As a result, 56 percent of Medi-Cal patients report difficulty finding a doctor, and the severe under-funding costs the state's hospitals more than \$6 billion annually.

Fully funding Medi-Cal would mean:

 Providing children with access to basic healthcare to help them grow up healthy and do better in school and life.

- Timely treatment for more people in doctors' offices and clinics, rather than in more costly emergency rooms. This will decrease ER overcrowding and long wait times for people with more critical health emergencies.
- Investing in preventative medicine to keep people healthy and save money by reducing serious illnesses in the future.

"When my son Xavier was suffering from potentially life-threatening allergies, it took more than two months just to see a specialist through Medi-Cal," said Emily Avila, a Medi-Cal patient from Cathedral City in Riverside County, who also is featured in the TV ads. "No child should have to wait months just for basic healthcare, and we have the power to change this and save lives of Californiachildren."

Note: We Care for California can put journalists in touch with people featured in the TV spots and Medi-Cal patients in many areas of the state who have difficulty getting access to primary and specialty care.

Contact: Sean Wherley, SEIU-UHW, (323) 893-6831, swherley@seiu-uhw.org Jan Emerson-Shea, CHA, (916) 804-0663, jemerson-shea@calhospital.org Molly Weedn, CMA, (415) 209-4217, mweedn@cmanet.org

The We Care for California coalition supports the goal that California should be the nation's health care leader in access, quality and affordability. The coalition includes: California Primary Care Association, Anthem Blue Cross, Blue Shield of California, California Association of Physician Groups, California Dental Association, California Hospital Association, California Medical Association, Dignity Health, Health Net, Kaiser Permanente, Molina Healthcare, and Service Employees International Union – United Healthcare Workers West.

SOURCE We Care for California

RELATED LINKS

http://www.iMedi-CalMatters.org

We Care for California

A coalition to promote health care access, quality and affordability for all Californians

FOR IMMEDIATE RELEASE:

May 11, 2015

Broad Coalition of Doctors, Nurses, Hospitals and Other Healthcare Leaders Launches \$10 Million Statewide Paid Media Campaign To Fully Fund Medi-Cal

SACRAMENTO, CA - "We Care for California," a broad coalition of doctors, nurses, hospitals, workers, and other healthcare leaders, launched a statewide paid media campaign today calling on the State of California to fully fund Medi-Cal to bring payments to providers in line with the rates paid by Medicare.

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-more-



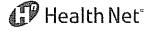


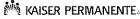




















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EXHIBIT H

MEMORANDUM OF UNDERSTANDING (MOU)

May 5, 2014

The undersigned organizations, SEIU UHW ("Union") and the hospitals or health systems identified below ("Hospitals")(collectively referred to as "Signatories"), hereby declare their intention that, during the period of time that the Code of Conduct between the California Hospital Association, SEIU UHW and various signatory hospitals and health systems dated May 5, 2014 ("Code of Conduct") is in effect, the Union shall not carry out any adverse public attacks that are directed at any Hospitals that are party to this MOU, and no Hospitals that are party to this MOU shall carry out any adverse public attacks against the Union.

Further, the Hospitals shall communicate about the Union in all public venues, excluding non-public communications within their own respective organizations, in a manner that does not disparage, demean, or attack the Union, its leaders, or affiliated organizations. Similarly, the Union shall communicate about the Hospitals in all public venues, excluding non-public communications within the Union, in a manner that does not disparage, demean, or attack the Hospitals, their leaders, or their affiliated organizations.

The purpose of this MOU is to maintain a mutually cooperative atmosphere during such time as the Code of Conduct is in effect, which was reached as a non-initiative solution to SEIU UHW's 2014 proposed ballot initiatives on executive compensation and hospital prices and revenues.

This MOU shall terminate when the Code of Conduct terminates.

Nothing in this MOU shall inhibit in any way any Signatory from carrying out all lawful activities related to an organizing campaign, labor dispute, contract negotiations or renewals, strike, work stoppage or other activity as allowed by applicable law.

All Signatories to this MOU shall participate in the industry-wide joint advocacy committee, as authorized under the Labor Management Cooperation Act of 1978 (LMCA), and as described more fully in the Code of Conduct ("Committee"). The Committee, through CHA and SEIU-UHW, shall focus during the first two years of the MOU on the following advocacy agenda: Medi-Cal Reform and funding for Medi-Cal payments to hospitals for services rendered to Medi-Cal beneficiaries as specified and formalized by CHA and SEIU-UHW, conducted through educational, legislative, regulatory, initiative or other strategies. The Committee may address other mutually agreed upon issues as permitted by law. In the event the Code of Conduct or this MOU terminates or becomes null and void prior to the expenditure of all of the Committee's

funds, unencumbered funds shall be distributed back to the parties in proportion to contributions made to the Committee.

SEIU UHW	[Name of Hospital/Health System]
By: (print name)	By: (print name)
Its: (print title)	Its: (print title)
	[ADD ADDITIONAL SIGNATURE BLOCK FOR EACH
	HOSPITAL/HEALTH SYSTEM SIGNATORY]

EXHIBIT I

California Hospital Community and SEIU-UHW

September 2013

SEIU-UHW and the leadership of the California Hospital Association – including the executive leadership of some of its member systems and facilities – have been engaged in a series of discussions that have the potential to create a new paradigm for the way in which represented health care workers and the State's hospital community interact and relate to one another.

The parties are aware that a successful outcome would include an unprecedented agreement to anchor a long-term strategic relationship between SEIU-UHW and the Hospitals (the Parties). Such an agreement would be premised on a shared understanding of the critical elements, attributes and imperatives required in the emerging environment being created and driven by the implementation of the Affordable Care Act (ACA) and evolving market forces. Moreover, the Parties recognize that many of the elements, attributes and imperatives of successful hospital providers and hospital workforces in the pre-ACA environment will not only not translate to a post-ACA environment, but may, in fact, be key contributing factors to future failure.

In light of this, the Parties endeavor to craft an agreement that is primarily oriented around a shared strategic vision as opposed to a traditional codification of lowest-common-denominator labor relations practices. It will be used as a set of guiding principles for individual organizations to develop agreements that meet the needs of their unique situations. Such a document will effectively embody and enhance the Parties' strategic alignment; it will not, first and foremost, be a template for traditional labor relations agreements. Towards this end, it is worth restating both our shared principles and our shared assumptions.

Our shared principles:

- 1. We are committed to improving the quality of care and the patient experience;
- 2. We are committed to lowering the overall cost of care;
- 3. We are committed to reforming the way health care is financed to both raise quality and lower cost;
- 4. We are committed to the hospital and broader health care community workforce being the healthiest workforce in California and a model of responsible individual behavior;
- 5. We are committed to making hospital community careers the most desirable jobs for caregivers in California;

- 6. We are committed to shared community prosperity including an improved standard of living for caregivers;
- 7. We are committed to making California the healthiest state in the country;
- 8. We are committed to assuring the California's health care delivery system is economically sustainable so care is available to all who need it.

Our shared assumptions:

- 1. Our state and country have reached the upper limit of what is realistically possible to pay for health care and remain competitive in a global economy;
- 2. The American health care system is about to undergo a period of unprecedented change and uncertainty. The passage and implementation of the ACA is a singular, once in a lifetime event in the history of American health care;
- 3. The full implementation of the ACA will accelerate emerging trends toward a) team based care, b) focus on preventive and primary care, c) reimbursement tied to measurable clinical outcomes as opposed to volume, d) de-emphasis on acute care in favor of outpatient and other non-acute settings, management of chronic illnesses and f) better advanced illness care;
- 4. Successful health care providers and health care workforces will be those that adapt most quickly and most effectively to a new set of imperatives which flow from the ACA and evolving market forces;
- 5. A strategic relationship between the parties will serve the best interests of participating hospitals and participating hospital workforces;
- 6. Strategic collaboration between like-minded providers and workforces will produce the best possible clinical outcomes for patients, the best possible cost savings for consumers, the best possible standard of living for workers and the most appropriate financial incentives for provides and workers within the most stable and adequately funded hospital community in the country.

These shared principles and assumptions are meant to set a context for the spirit and nature of the type of agreement the Parties wish to develop as individual organizations.

This document, as a whole, seeks to outline the basis for an innovative, groundbreaking collective bargaining agreement between the individual Parties and SEIU-UHW. The assumption is that if the Parties can agree on a set of general concepts, then the drafting of actual contract language can be done in both a timely and legally permissible manner at the individual organization level.

Summary and expectation going forward

It is the desire and expectation of the Parties that future collective bargaining agreements will "look and feel" very different from a typical, traditional agreement. SEIU-UHW seeks an agreement that declares, promotes and ultimately sustains a genuine cultural transformation within the hospital community workforce and its relations with employers. Hospitals seek management-workforce relationships that optimally benefit patients in the most cost-effective manner and create financial stability into the future.

This Agreement would promote the following attributes:

- Clinical excellence
- Pursuit of the "common good"
- Collaborative problem solving in place of conflict
- Recognition that teams and operational flexibility are critical to overall future success
- Commitment to shared success
- Commitment to shared responsibility for desired outcomes
- A non-traditional compensation framework
- Commitment to continuous improvement
- Commitment to developing skills and leadership at all levels of the enterprise
- Commitment to long term success

Vision and innovation are the product of ingenuity, mutual respect and hard work. Tomorrow's health care system depends in great part on the ability of the Parties to create a new environment in which responsible public policies are adopted and their mutual interests on behalf of patients are best-served.

EXHIBIT J

Note: The following document was reportedly sent by C. Duane Dauner, CEO of the California Hospital Association, to California hospital executives in October of 2013.

Due to lack of hospital executives' attendance at a meeting that was scheduled for today, the discussion session was cancelled.

Today I had a conversation with Dave Regan, President of SEIU-UHW for California. He expressed disappointment and affirmed statements he has made on numerous occasions (dating back to the May 3, 2012 CHA-SEIU Strategic Agreement) that SEIU would file statewide ballot initiatives in October 2013 for the November 4, 2014 general election if progress is not made on SEIU's goals as described in the Strategic Agreement under the category of "high road management-labor relations". Specifically, SEIU expected elections covering 20,000 employees in hospitals under a mutually developed code of conduct. Thus far, no progress has been made towards agreements for elections.

I was advised today that four initiatives will be filed by mid-October (descriptions are attached). Also attached is a list of hospitals that SEID proposes for agreements leading to elections.

CHA prefers non-ballot solutions. The short and long-term costs and consequences of the four initiatives are enormous. CHA is committed to a \$60 million campaign to pass the ballot initiative that gives permanent protection to hospitals under any tax, fee or assessment program and sets a maintenance of effort floor on the State, making it impossible for the State to make payment cuts to hospitals for any service. This iron-clad protection initiative is essential; otherwise the State progressively will take more of the fee proceeds until hospitals are paying a tax to the State without the benefit of any federal funds for hospitals.

CHA is a member of coalitions that are opposing initiative attacks on MICRA (raising the \$250,000 cap on pain and suffering) and rate regulation of premiums of health plans and insurance

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companies. The burden of four additional attacks on hospitals would create two major problems:

- CHA already is committed to the hospital protection initiative and two coalition initiatives, and infrastructure resources are limited, and
- 2) the cost of opposing initiatives such as those summarized above would be substantial. In addition, the presence of controversial anti-hospital initiatives on the ballot could jeopardize our hospital protection initiative.

It appears that SEIU will proceed with the initiatives unless progress is made on the high road management-labor relations front. In view of these developments, a conference call of hospital/health system CEOs will be held to discuss the situation. Please plan to participate in this important meeting, which is scheduled as follows:

Agenda materials will be sent to you in advance of the conference call.

Thanks.

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Explanation
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ifs are estimates based on the the number of staffed beds reported to OSHPD.

2014 Ballot Initiative Summaries

1. <u>Limits on Executive Compensation</u>

This initiative would place limits on executive compensation for not-for-profit hospitals; it would limit executive compensation to no more than what the President of the United States of America earns, which is \$400,000 dollars and/or 15 times the annual wage of the lowest compensated full-time employee in the hospital.

2. Redefining Charity Care

This initiative would require hospitals to provide an amount of charity care equal to 5% of their net patient revenue. In addition to the cost of providing care to the indigent, charity care can also include deploying assets to lower costs and expand affordable access. The Attorney General would be granted the authority to appoint a representative to the board of directors of not-for-profit hospitals who fail to comply. For-profit hospitals failing to comply would be subject to a fine.

3. Establishment of a Statewide Wellness Trust

This initiative would require hospitals to provide an amount of charity care equal to 5% of their net patient revenue or contribute the shortfall to a statewide wellness trust. In addition to the cost of providing care to the indigent, charity care can also include deploying charitable assets to lower costs and expand affordable access. The funds in the statewide wellness trust will be used to invest in our state's Medi-Cal program.

4. Hospital Fair Pricing

This initiative would cap hospital sticker prices at 25% over and above a good faith and reasonable estimate of the actual cost of providing care. The cap is adjusted to account for hospital losses for services provided to Medi-Cal enrollees, beneficiaries of county indigent programs, and self-pay patients. The initiative calls for hospitals that overcharge to provide refunds to patients.

EXHIBIT K

The following letter was sent by Dave Regan (President of SEIU-UHW) to the CEOs of California hospitals and health systems.



JINTED HEALTHCARE
WORKERS WEST
SERVICE EMPLOYEES
INTERNATIONAL
UNION, CLC

Dave Regan - President Stan Lyles - Vice President

0 Thomas L. Berkley Way Oakland, CA 94612 510-251-1250 FAX 510-763-2680

5480 Ferguson Drive Los Angeles, CA 90022 323-734-8399 FAX 323-721-3538

November 21, 2013

Dear Michael,

Recently we wrote to you about a series of ongoing discussions between the leadership of the California hospital industry and SEIU-UHW to create a strategic partnership that would dramatically transform the way healthcare workers and the state's hospital industry interact and relate to one another. Most importantly, it would create a significantly better way forward for hospitals, caregivers, and patients alike.

Working with some of largest healthcare providers in the state, SEIU-UHW is already implementing part of our joint vision to reduce costs and improve quality, including advocacy around restoring MediCal cuts, creating the Let's Get Health California Task Force to take on chronic disease, and our work together to bring in more federal funding for hospitals. However, given the massive challenges and changes facing our industry, we believe that an even more ambitious approach is called for. That's what this letter is about.

We propose to create a revolutionary new Strategic Partnership Agreement between our Union and the Industry. Unlike traditional collective bargaining agreements, which are primarily intended to negotiate labor relations and distribute costs and obligations, the Strategic Partnership Agreement would be designed to build on our shared goals and common interests in ways that are beneficial for hospitals, caregivers, and above all else, patients.

The Strategic Partnership Agreement would be primarily oriented around our shared strategic vision as opposed to a traditional contract that codifies lowest-commondenominator labor relations practices. It would allow us to focus on scale to solve population health problems and improve affordability and quality. As an industry leader, we hope you will join us in this unprecedented venture.

Our proposed initial framework for an agreement is included in this letter. But true to the spirit of collaboration embedded in the idea of a Strategic Partnership Agreement, we welcome your ideas and improvements.

The Strategic Partnership Agreement would be premised on a shared understanding of the critical elements, attributes and imperatives that will be required of successful hospital providers and workforces in the emerging environment being created by the implementation of the Affordable Care Act. Moreover, we recognize that many of the elements, attributes and imperatives of successful hospital providers and hospital workforces in the pre-ACA environment will not translate to a post-ACA environment, but may, in fact, contribute to future failure.

Before we lay out the proposed framework for the Strategic Partnership Agreement, let us explicitly lay out our shared principles and our shared assumptions that we have discussed in our series of meetings with the CHA and healthcare CEOs.

www.SEIU-UHW.org

First, our shared principles:

- 1. We are committed to improving the quality of care;
- 2. We are committed to lowering the overall cost of care;
- 3. We are committed to reforming the way healthcare is financed to incentivize both raising quality and lowering cost;
- 4. We are committed to the hospital industry workforce being the healthiest workforce in California and a model of responsible consumer behavior;
- 5. We are committed to making hospital industry careers the most desirable jobs for caregivers in California, thereby allowing us to attract the most qualified caregivers in the state;
- 6. We are committed to shared industry prosperity, including financial stability for hospitals and a steadily rising standard of living for caregivers; and
- 7. We are committed to making California the healthiest state in the country.

Second, our shared assumptions:

- 1. Our state and our country have reached the upper limit of what is realistically possible to spend on healthcare and remain competitive in a global economy;
- 2. The American healthcare system is about to undergo a period of unprecedented change and uncertainty. The implementation of the ACA is a singular, non-repeatable event in the history of American healthcare;
- 3. The full implementation of the ACA will accelerate emerging trends toward a) team based care, b) focus on preventive and primary care, c) reimbursement tied
- to measurable clinical outcomes as opposed to volume, d) de-emphasis on acute care in favor of outpatient and other non-acute settings;
- 4. Successful healthcare providers and workforces will be those that adapt most quickly and most effectively to a new set of imperatives that flow from the ACA;
- 5. The Strategic Partnership Agreement between the parties will serve as a strategic advantage for participating hospital providers and a professional advantage for participating hospital workforces; and
- 6. Strategic collaboration between like-minded providers and workforces will produce the best possible clinical outcomes for patients, the greatest possible cost savings for consumers, the best possible standard of living for workers and the most stable and adequately funded hospital industry in the country.

For newly organized workers, who choose be represented by the Union through an election, our goal is to create a Strategic Partnership Agreement that replaces the traditional collective bargaining agreement all of us are familiar with. From the perspective of SEIU-UHW, we seek an agreement that declares, promotes and ultimately sustains a genuine cultural transformation within the hospital industry workforce and its relations with employers.

The agreement framework below would promote the following attributes:

- Clinical excellence;
- Pursuit of the "common good;"
- Collaborative problem-solving in place of conflict;
- Recognition that teams and operational flexibility are critical to overall future success;
- Commitment to shared success;
- Commitment to shared responsibility for desired outcomes;
- A non-traditional compensation framework that ties a portion of compensation to quality care;
- Commitment to continuous improvement;
- Commitment to developing skills and leadership at all levels of the enterprise; and
- · Commitment to long term success.

In order to accomplish these objectives, we are prepared to create an agreement that for the first time would not attempt to codify all manner of operational practices, as has been traditionally done in most agreements between employers and unions over the past 60 years. Instead we would seek to contribute toward creating the conditions, across the industry, that maximize the possibility of financial success and stability by placing a premium on high-performance, collaboration, maximization of the workforces abilities, operational flexibility, leadership and a deep mutual understanding of a shared long-term strategy.

In return, the workforce should rightfully expect to be compensated in a manner that will result in a steadily rising, real standard of living, assuming a steadily rising level of productivity and performance on a number of dimensions. Additionally, the workforce should expect stability and predictability of the availability of work (full-time jobs, stable hours, job certainty) to naturally flow from a strategy that also places a premium on the stable, adequate and predictable financing of the industry itself.

If you would like to get more information about the joint advocacy work we have been doing for the past two years with the hospital industry, please contact us at

hospitalinfo@seiu-uhw.org, or go to www.yesforahealthycalifornia.org.

Sincerely,

Dave Regan President, SEIU-UHW

Framework for a Potential Agreement

I. Nature of the Strategic Partnership Agreement

- A. Multi-employer agreement
- B. 10-year term
- C. Standard union security provisions

II. Statement of Mission

- A. Description of nature of this "Strategic Partnership Agreement" vs. traditional "labor relations" agreement
 - 1. Articulation of Shared Principles
 - a. Commitment to improving quality
 - b. Commitment to reducing cost
 - c. Commitment to financial reform to serve higher quality and lower cost
 - d. Commitment to make hospital workforce healthiest in California
 - e. Commitment to make hospital jobs the most desirable in California
 - f. Commitment to make California the healthiest state in the country
 - 2. Articulation of the belief that collaboration will produce best outcomes
 - 3. Articulation of the belief that only through the pursuit of the "common good" can we ensure that the hospital industry is financially stable and able to flourish in the new-driven ACA environment.

III. Continuous Quality Improvement

- A. Articulation of the shared belief in accountability, measurement and data and a shared desire to improve rates or levels of:
 - 1. Blood stream infections
 - 2. Ventilator associated pneumonias
 - 3. Hospital acquired pressure ulcers
 - 4. Adverse medical events
 - 5. Patient falls
 - 6. Catheter associated urinary infections
 - 7. Venous thromboembolisms
 - 8. Surgical site infections
 - 9. Early elective deliveries
 - 10. Readmissions
 - 11. Proper administration of medicines

IV. Team Care is Great Care

- A. Articulation of the Parties commitment to utilize mechanisms that maximize the delivery of coordinated care and care teams.
- B. Joint commitment to flexibility at work so as to maximize coordinated and team care.
- C. Care Team: core unit of organization

D. Evidence drives action

V. Let's Get Healthy California Education Fund

- A. Establishment of 510(c)(4) or 501(c)(6) fund
 - 1. Employee contribution of .05¢/hour on all hours worked
 - 2. Employer contribution of same amount
 - 3. Fund joint action to effectuate goals
- B. Transform the political economy of healthcare in the State of California
 - 1. Provide stable, predictable, adequate industry funding
 - 2. Provide stable, predictable, appropriate regulatory environment

VI. Hospital Jobs are Great Jobs

- A. Maximize the existence of full-time jobs
 - 1. Seventy percent of all hospital jobs would be full-time
- B. Employment certainty for employees with more than three years of service; i.e., no layoffs
- Portability of terms and conditions across participating employers
- D. Substantially reduce, by agreement, the number of job classifications
- E. Achieve flexibility and maximize scope of practice
- F. Job retraining and wage security for caregivers in obsolete positions

VII. High Performing Workforce of the Future Fund

- A. Create joint fund to identify and train needed workers five years out
 - 1. Focus on broad range of skills and flexibility
 - 2. Utilize federal, state, and industry funding streams

VIII. Compensation

- A. Create shared overall framework for allocation of wages and benefits across the hospital employment spectrum.
 - 1. Modest annual pay raise
 - 2. Additional annual bonuses tied to:
 - a. Quality improvement
 - b. HCAHPS scores
 - c. Overall financial performance of facility and system
 - d. Alignment of incentives between unionized workforce and management.
 - i. Encourage mutual success
 - ii. Shared savings model

IX. Caregiver Benefits

- A. Fully Paid Family Coverage for all regular full-time and part-time employees.
 - 1. "Total Health" Agreement to improve workforce health
 - a. Demonstrate leadership in measurable way
- B. Retirement Benefits
 - 1. Portable benefits on common platform

C. Other Benefits

1. Achieve standardization in reasonable fashion

X. Problem Solving Process

A. Streamlined framework (within 90 days) to resolve disputes over discipline, compensation errors and situations involving a significant number of caregivers.

XI. Collaborative Problem Solving

- A. System/facility level "Leadership/Caregiver Councils"
 - 1. Venue to discuss and improve operational functioning
 - 2. Bi-Weekly sessions
 - 3. Standard ratio of representation

XII. Culture of Caregiver Leadership

- A. Overall goal of 10% of caregivers employed in leadership positions
 - 1. Problem Solvers
 - 2. Health Leaders
 - 3. Issue Leaders

XIII. Commitment to Continuous Care

A. No Strike

EXHIBIT L

From: "California Hospital Association" < info@calhospital.org To: "Gail Blanchard-Saiger" < gblanchard@calhospital.org >>

Subject: CHA Memo: SEIU-UHW Communications

[CHA Memo] November 27, 2013

TO: CHA Member Chief Executive Officers

FROM: Gail Blanchard-Saiger, Vice President, Labor & Employment

SUBJECT: SEIU-UHW Communications

This week, Service Employees International Union-United Healthcare Workers West (SEIU-UHW) sent a letter to hospital executives, investment bankers, politicians and others. The letter

http://www.calhospital.org/sites/main/files/file-attachments/seiu-uhw_letter_0.pdf appears to be another technique to pressure California hospitals to sign neutrality or code of conduct agreements. Since the letter is likely to raise questions about CHA's stance, we want to address that concern to avoid any confusion or ambiguity.

As you are aware, CHA and SEIU-UHW have worked cooperatively over the past year on various legislative and public policy issues, pursuant to the CHA-SEIU-UHW May 2012 Partnership for a Healthy California Agreement. While the letter summarizes some of the cooperative work CHA and SEIU-UHW accomplished, its focus is on SEIU-UHW's desire for a "Strategic Partnership Agreement" between SEIU-UHW and hospitals.

In describing this agreement, SEIU-UHW references shared principles and assumptions developed during a series of meetings held with a group of hospital CEOs and SEIU-UHW representatives, including SEIU-UHW President Dave Regan, over the past year. While CHA helped craft a document containing the shared principles and assumptions as part of those meetings, the document was not formally adopted by the group of CEOs that met with Regan. In addition, the document was not adopted by the CHA Board of Trustees because CHA is not an agent for hospitals in labor matters. Furthermore, approval of the document containing the shared principles and assumptions would not have committed CHA or its members to any specific position, agreement or course of action. The document, which is attached, was intended instead to facilitate future discussions, if any, between individual health systems or hospitals and SEIU-UHW.

SEIU-UHW's decision to mail the letter to individuals outside the health care community changes the dynamics of the dialogue. While CHA is continuing discussions with Dave Regan on public policy issues and mutual goals, it appears that the cooperative relationship we have developed over the past 18 months may be limited to those issues.

CHA is evaluating the situation and will determine next steps soon. A plan of action will be presented to the CHA Board of Trustees on December 19. CHA will continue to keep you apprised of all developments. In the meantime, if you have questions, please feel free to contact C. Duane Dauner, CHA President/CEO, at (916) 552-7547, cddauner@calhospital.org; Anne McLeod, CHA senior vice president, health policy, at (916) 552-7536,

amcleod@calhospital.org<mailto:amcleod@calhospital.org><mailto:amcleod@calhospital.org>; Jan Emerson-Shea, CHA vice president, external affairs, at (916) 552-7516,

jemerson@calhospital.org<mailto:jemerson@calhospital.org><mailto:jemerson@calhospital.org>; or me at (916) 552-7620, gblanchard@calhospital.org<mailto:gblanchard@calhospital.org><mailto:gblanchard@calhospital.org>.

For those with text-only email, below is the link to the SEIU-UHW letter:

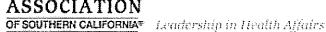
http://www.calhospital.org/sites/main/files/file-attachments/seiu-uhw_letter_0.pdf

To unsubscribe from CHA memos, please send an e-mail to info@calhospital.org mailto:info@calhospital.org.

EXHIBIT M

Note: The following article by Marty Gallegos (Senior Vice President, Healthcare Policy/Communications of the Hospital Association of Southern California) was first published on the website of the Hospital Association of Southern California (an arm of the California Hospital Association) on February 26, 2014.





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A Powerful Labor Union Threatens Your **Health Care**

MARTY GALLEGOS

In November 2013, Service Employees International Union-United Healthcare Workers West (SEIU-UHW) filed two anti-hospital ballot initiatives. The first initiative would limit not-for-profit (NFP) hospital/heaith systems executives total compensation (salary, bonus, pension, etc., excluding health and disability insurance; to \$450,000 per year. The second initiative would cap for-profit and NFP hospitals' (excluding children's hospitals) prices to every patient at 25 percent above the cost of services or items rendered to the patient, and annually, would cap revenues from every payer at 25 percent above cost. Retroactive recoupment payments from hospitals would be required for each patient where revenue (usually from a third-party payer) exceeded 25 percent above cost. Needless to say, these initiatives are devastating to NFP hospitals (both initiatives) and to for-profit hospitals (pricing initiative).

This is nothing more than a union power play. As major news outlets have reported. these measures represent a new type of "corporate campaign" whereby one labor union is attempting to leverage hospitals in order to serve its own self-interest — to increase union membership - not to serve the public's interest. SEIU is seeking neutrality-based elections in targeted hospitals for 100,000 non-union employees. SEIU organizing campaigns would be conducted under a Code of Conduct that governs the actions of both parties (hospital and SEIU).

The magnitude of this two-front campaign cannot be understated, if the initiatives are approved by the voters, hospitals could not operate as they do now. It would be necessary for hospitals to restructure their business model and services provided. Additionally, hospitals would be faced with unprecedented decisions — "Which services must be eliminated or cutback??; "How can the hospital operate without departmental cross-subsidization?"; and "How can strategic planning be conducted in a world of oppression and uncertainty?"

CHA has launched its own counter-initiative website, www.stopinitiativeabuse.com &. The coalition sponsoring the hospitals' opposition campaign is "Californians Against Initiative Abuse."

If the pricing/revenue initiative passes, it will cause private (NFP and for-profit) hospitals to lose up to \$12 billion annually in current revenues. This represents nearly a 20 percent out in NFP and for-profit hospitals' annual net patient revenue. Such a cut is intolerable. Consequences include: loss of thousands of jobs; reduction or dissure of hospital services: restrictions on access to services; deferral, reduction or elimination of capital projects (forcing closures due to seismic compliance deadlines); downgrades in hespitals' bond ratings or ability to access capital; loss of stock value and ability to access capital; defaults and bankruptoles; higher costs because of capital and investment market responses; and loss of community hospital services to all Californians.

Hospitais have reported that more than SS billion of construction projects would be halled or delayed. This could mean the loss of approximately 40,000 construction jobs representing billions of lost wages in California's economy.

The executive compensation initiative is so restrictive that superior executives will leave California, creating a management crisis. Hospital organizations will suffer and patient care will be compromised. The interests of Californians will not be well-served.

Hospitals have no choice. Losing our opposition campaign is not an option. Otherwise, hospital care in California will become a wasteland if the pricing initiative passes. The aftermath will be felt for decades.

Print-friendly





CTSEF Marty Gallegos a Senior Vice President, Health Policy/Communications



A Powerful Labor Union Threatens Your Health Care

MARTY GALLEGOS

In November 2013, Service Employees International Union-United Healthcare Workers West (SEIU-UHW) filed two anti-hospital ballot initiatives. The first initiative would limit not-for-profit (NFP) hospital/health systems executives' total compensation (salary, bonus, pension, etc., excluding health and disability insurance) to \$450,000 per year. The second initiative would cap for-profit and NFP hospitals' (excluding children's hospitals) prices to every patient at 25 percent above the cost of services or items rendered to the patient, and annually, would cap revenues from every payer at 25 percent above cost. Retroactive recoupment payments from hospitals would be required for each patient where revenue (usually from a third-party payer) exceeded 25 percent above cost. Needless to say, these initiatives are devastating to NFP hospitals (both initiatives) and to for-profit hospitals (pricing initiative).

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EXHIBIT N

From: Ruth Ferguson [rferguson@calhospital.org] on behalf of C. Duane Dauner

[cddauner@calhospital.org]

Sent: Friday, March 28, 2014 3:14 PM

To: C. Duane Dauner

Subject: Confidential Meeting of Select Hospital/Health System Representatives / April 4, 2014

[CHAheader]

March 28, 2014

TO:

Select Hospital/Health System Representatives

FROM:

C. Duane Dauner, President/CEO

SUBJECT:

CONFIDENTIAL MEETING OF SELECT HOSPITAL/HEALTH SYSTEM REPRESENTATIVES

April 4, 2014 / 11 a.m.-1:30 p.m.

IN PERSON
La Quinta Resort & Club, La Quinta
49-499 Eisenhower Drive
La Quinta, CA 92253
Phone: 760-564-4111

OR VIA CONFERENCE CALL

Please cal

Instructions:

(1) Please ask to be joined to the Duane Dauner call.

(2) Provide the operator with your name.

You will be placed on hold until the call begins at 11 a.m.

Stage 1: April 4, 2014

A meeting of select hospital/health system representatives is scheduled for April 4, 2014 from 11 a.m.— 1:30 p.m. at La Quinta Resort & Club, La Quinta, to follow up on the discussions held on March 27, 2014 with Service Employees International Union-United Healthcare Workers West (SEIU-UHW). Attendees will be responsible for your own travel and accommodation arrangements.

Yesterday, CHA Officers met with SEIU-UHW representatives and developed a paper entitled "Relationship and Election Procedure Agreement." The document is being finalized and will be distributed early next week.

Stage 2: April 9, 2014

During the meeting on April 4, if you determine that the document "Relationship and Election Procedure Agreement" can serve as a foundation for a non-initiative solution, a second in-person/conference call meeting will be held on April 9, 2014 from 4 – 6 p.m. at The Los Angeles Airport Westin Hotel, Los Angeles.

(Details will be provided).

Stage 3: April 10, 2014

If you feel that sufficient progress has been made for discussion with SEIU-UHW, a joint hospital/SEIU-UHW meeting will be held on April 10, 2014 from 2–5 p.m. (following the CHA Board meeting) at The Los Angeles Airport Westin Hotel, Los Angeles.

(Details will be provided).

SUMMARY

Based on progress through April 10, next steps will be determined. Two possibilities exist:

- (1) Further development toward a non-initiative solution will occur (absolute deadline is April 25 for filing of signatures to qualify the initiatives for November 4, 2014, ballot), or
- (2) hospitals decide that a non-initiative solution is not possible, and CHA launches the opposition campaign that was distributed to hospitals on March 10, 2014

We are at a critical point in discussions with SEIU-UHW. The stakes are high and your participation in our decision-making process is essential. Please plan to attend the meeting on April 4 or join by phone. Agenda materials will be distributed next week prior to April 4.

Please RSVP to Ruth Ferguson, at rferguson@calhospital.org or (916) 552-7545 before 12 noon, April 2, 2014, indicating whether you will be participating in person or by phone. The conference call will be operated assisted to protect confidentiality.

Thanks

EXHIBIT O

TERM SHEET April 15, 2014

California Hospital Association (CHA) representatives met with Dave Regan and several other Service Employees International Union-United Healthcare Workers West (SEIU-UHW) representatives on April 11, 2014. During a meeting that followed with CHA Officers, SEIU-UHW set forth a revised proposed agreement. The parties met over the weekend in an effort to craft a Code of Conduct document that accurately reflects the revised proposal and that document remains a work in progress. Following, is a summary of our understanding of major terms that were presented by SEIU-UHW, now titled, "Partnership and Joint Advocacy Agreement." It is designed to accurately describe the revised proposal, which contains four major provisions:

1. Code of Conduct

A "near universal" group of hospitals/health systems would agree to a Code of Conduct that is substantially similar to the following sections in the April 2, 2014, draft:

Principles for a Partnership between the Parties Mutual Respect and Collaborative Problem-Solving

2. Joint Advocacy and Shared Responsibilities

SEIU-UHW and hospitals (through CHA) would jointly develop and advocate health policies at the federal and state levels, with each of the two parties collectively funding the activities through a joint entity, such as the California Health Education Project, that would conduct joint campaigns, like increasing state Medi-Cal funding. SEIU-UHW and the hospitals (through CHA) would have equal decision making power with respect to the activities and priorities of the joint entity.

SEIU-UHW, as envisioned in the joint advocacy of issues and policies, will not sponsor or support any legislation, regulations, policies or ballot measures that are opposed by CHA. Similarly, CHA and hospitals will not sponsor or support any legislation, regulations, policies or ballot measures that are opposed by SEIU-UHW. These commitments include any actions that attack or are detrimental to the other party.

An Agreement would be announced through a joint statement issued by all parties.

3. Access and Communication

SEIU-UHW proposes that a three-year Agreement is signed between a sufficient number of hospitals/health systems and SEIU-UHW to guarantee access to hospitals that employ 25,000 new non-supervisory, non-union employees each year for three years (for a total

of 75,000 over the three year period) for the purpose of discussing joint advocacy, common goals, future policy priorities and unionization.

During the one-year Access period for each applicable hospital, SEIU-UHW proposes the following:

- (a) Restrictions on actions and communications by the parties, essentially the same as those that applied during the organizing periods in the April 2, 2014, draft (e.g., Truthful and Balanced Communications, Coercive Free Environment).
- (b) One Union representative granted access for each 100 eligible employees.

4. Enforcement of Agreement

Similar to the April 2, 2014, draft, the proposed Agreement provides for dispute resolution, Arbitration to resolve disputes, and creation of an Oversight Committee to speak for and bind each party.

According to SEIU-UHW, the Agreement reduces to writing a new relationship/partnership that is based on cooperation rather than confrontation, and which creates stability and predictability for hospitals and workers. SEIU-UHW indicates that through a shared strategic vision, new paradigms in health care and labor-management relations would emerge.

Note: SEIU-UHW has removed its requests for a Model Collective Bargaining Agreement and the "Fair and Expeditious Process" as part of this proposal.

SEIU-UHW proposes three-year commitments and agreements between the parties. The length, however, depends on how many hospitals/health systems are willing to participate, and whether the parties mutually agree to extend the agreements.

SEIU-UHW has withdrawn its original position that 100,000 non-supervisory, non-union private hospital employees be put forth for elections under a neutrality agreement as the basis for not filing signatures to qualify the compensation and pricing/revenue ballot initiatives.

As part of this Agreement, SEIU-UHW and the hospitals/health systems (through CHA) will work in good faith together to address the matters encompassed by the Fair Healthcare Pricing Act of 2014 and Charitable Hospital Executive Compensation Act of 2014 by seeking legislative, regulatory, or voluntary approval of CHA's modern hospital pricing model and public disclosure of executive compensation.

SEIU-UHW has committed that, if a sufficient number of hospitals/health systems sign the agreement (including hospitals employing at least 75,000 non-union employees agreeing to the access provisions of the Agreement) prior to April 25, 2014, SEIU-UHW, in recognition of the fact that the Agreement and voluntary or legislative actions will provide alternative non-initiative Win-Win solutions to addressing health care cost and quality issues, it will not file signatures to qualify the Charitable Hospital Executive Compensation Act of 2014 and Fair Healthcare Pricing Act of 2014 for the November 4, 2014, general election ballot, or any initiative that is adverse to hospitals for the November 2016 general election ballot.

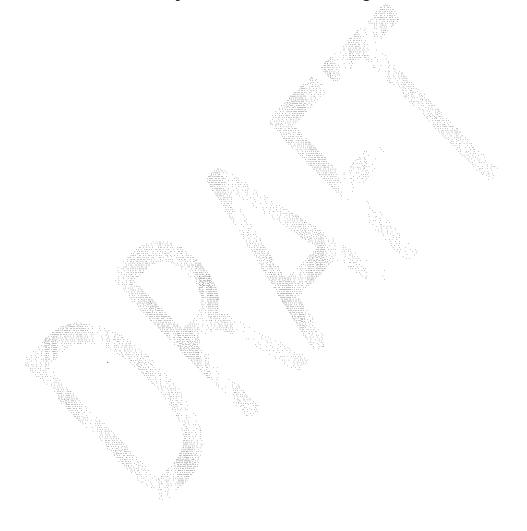


EXHIBIT P

CHA – SEIU-UHW AGREEMENT

April 25, 2014

California Hospital Association and the Regional Associations (CHA) and their member hospitals, or Service Employees International Union-United Healthcare Workers-West (SEIU-UHW), will not pursue, sponsor or support any ballot initiatives, legislation or regulations (federal, state or local) that are adverse to the other party, its members or their sponsors or affiliates, through December 31, 2016, upon acceptance of the following provisions by SEIU-UHW and CHA:

CHA and SEIU-UHW agree to:

- 1. Promote a new relationship based upon trust, stability and predictability for hospitals and workers, joint values and common public policy/advocacy agenda.
- 2. Maintain professionalism and truthful communications in all interactions, avoiding any and all communications that may constitute derogatory comments, inaccuracies, accusations or attacks on the other party, its leaders, employees, members or affiliates. CHA shall encourage all members of CHA to act in accordance with this provision.
- 3. Resolve disputes privately and expeditiously and not engage in attacks, accusations, complaints advertisements, demonstrations, rallys or formal actions (initiatives, legislation, regulations, etc.,) against the other party, its sponsors or affiliates, employees, members or affiliates.
- 4. Nothing herein restricts any Party in responding to statements or actions initiated by someone or some entity other than a Party, its members, or its sponsors or affiliates.
- 5. Act in a respectful, truthful and non-threatening or non-intimidating manner in all communications, respecting the individual rights of every person, whether in management, workforce, union or in another capacity.
- 6. Create a Joint Advocacy Fund of \$50 million to achieve common public policy goals for the period May 1, 2014, through December 31, 2016, to be governed and administered by the President and Chief Executive Officers of CHA and SEIU-UHW, and funded by

- CHA and SEIU-UHW, in the amounts of \$30 million and \$20 million, respectively, before June 1, 2014.
- 7. Support jointly-sponsored legislation that is based on the CHA Modern Pricing Model and explore options for transparency of executive compensation.
- 8. Facilitate relationships between SEIU-UHW and interested hospitals/health systems. CHA however, shall not participate in discussions between hospitals/health systems and SEIU-UHW relative to conduct, access and labor matters.
- 9. Provide a "Code of Conduct" Interim Agreement (copy attached), for hospitals/health systems and SEIU-UHW by June 1, 2014, to facilitate development of a more comprehensive code of conduct that operationalizes the relationship between individual hospitals/health systems and SEIU-UHW.
- 10. Establish programs and policies that promote a healthy workforce, cost effectiveness, higher quality, stability, predictability and flexibility for workers and hospitals/health systems.
- 11. The Parties agree that this Agreement is not intended to, and does not create any third-party beneficiaries to its terms and that neither employees nor any other person, party, or entity of any type is vested with any right under this Agreement. Therefore, no party other than the party represented by the signatories hereto shall have any right to bring any action under this Agreement or enforce any provision under this Agreement.

In addition, individual hospitals/health systems shall convey to SEIU-UHW in writing, including electronic transmittals, by 5 p.m., April 25, 2014, their commitment to the following:

- I. Organizations willing to joint meetings of Board Chair and Chief Executive Officer with Dave Regan between May 1, 2014, and June 30, 2014.
- II. Organizations willing to meet between May 1, 2014, and June 30, 2014, to discuss a Code of Conduct by submitting to SEIU-UHW a signed copy of the Code of Conduct Interim Agreement.
- III. Organizations willing to meet between May 1, 2014, and June 30, 2014, to discuss a Code of Conduct and Access Agreement by submitting to SEIU-UHW a signed copy of a

Code of Conduct Interim Agreement with a notation that the organization is willing to discuss an Access Agreement.

The terms of this Agreement shall not be extended to any other labor organization unless that other labor organization agrees to the terms of this Agreement in its entirety.

C. Duane Dauner
President/CEO
CHA

Dave Regan
President/CEO
SEIU-UHW

CODE OF CONDUCT INTERIM AGREEMENT for Hospitals/Health Systems and SEIU-UHW

A. Principles

It is in the best interests of Californians, Service Employees International Union-United Healthcare Workers-West (SEIU-UHW), the California Hospital Association (CHA) and hospitals/health systems for employees and employers to have a trust-based, stable relationship. The following principles for SEIU-UHW and the hospitals/health system signing this Agreement (Parties) are aimed at creating an atmosphere based on mutual respect, truthful communications, and freedom from coercion. The Parties to this Code of Conduct Interim Agreement agree to support the Joint Advocacy Fund of CHA and SEIU-UHW as described in the CHA/SEIU-UHW Agreement dated April 25, 2014 (copy attached).

B. Mutual Respect and Collaborative Problem-Solving

- 1. During the term of this Agreement, the Parties shall establish and maintain their relationship in a manner that is built on honesty, mutual respect, trust, and joint commitment to problem-solving. All communications shall be factual and shall focus on the merits of particular policies or issues. Differences, if any, shall be addressed in a positive manner. No party shall engage in personal attacks or make derogatory comments about the other party or its leadership. The Parties shall not utilize surrogates to engage in any activity not permitted to the Party itself under this Agreement. Nothing herein restricts any Party in responding to statements or actions initiated by non-parties, including non-party entities that are related to, but are not subordinate to, the Parties to this Agreement.
- 2. Nothing in this Agreement shall adversely impact the current rights of any employee under a collective bargaining agreement at the signatory hospitals or health systems or any other agreement between the Union and the signatory hospital or health system, unless such agreements are modified by mutual agreement and approved in accordance with the applicable ratification procedure.
- 3. The Union agrees that its activities shall not be conducted in a manner that interferes with the delivery of patient care or business operations.
- 4. The Union shall not carry out or engage in "Anti-Employer Activities." "Anti-Employer Activities" mean activities directed at or with respect to the signatory hospital/health system and any of its officers, directors, managers or shareholders; actions commonly

associated with a corporate campaign; reputation or economic attacks; personal attacks; or instigating or supporting any of the following: litigation (with the exception of litigation to enforce the terms of an existing collective bargaining agreement); adverse action by any branch of government; or adverse actions by other third parties.

5. The signatory hospital/health system shall not carry out or engage in "Anti-Union Activities." "Anti-Union Activities" mean activities directed at or with respect to the Union and any of its officers, trustees, employees or leaders; reputation or economic attacks; personal attacks; or instigating or supporting any of the following: litigation; adverse action by any branch of government; or adverse actions by other third parties.

C. Joint Problem-Solving

The Parties shall resolve disputes through a Dispute Resolution Process, beginning with a joint internal process, followed by binding arbitration, and, if an alleged violation involves a documented imminent threat to the health or safety of a patient, employee or the public or if the claim would otherwise be time-barred if not filed, outside relief may be sought.

D. Employee Rights and Communications

Nothing in this Agreement shall prevent employees from fully exercising their legal rights, including the right to participate or refrain from participating in union activities, meetings or conversations. Communications to hospital or health system employees, union employees or any other third parties by the respective Parties to this Agreement shall at all times be factual and accurate. Neither Party will engage in communication which is disparaging or casts the other Party in a negative light.

E. No Third-Party Beneficiaries

- 1. The Parties agree that this Agreement is not intended to, and does not create any third-party beneficiaries to its terms and that neither employees nor any other person, party, or entity of any type is vested with any right under this Agreement. Therefore, no party other than the party represented by the signatories hereto shall have any right to bring any action under this Agreement or enforce any provision under this Agreement.
- 2. The terms of this Agreement shall not be extended to any other labor organization unless that other labor organization agrees to the terms of this Agreement in its entirety.

F. Code of Conduct

The Parties agree to develop within 60 days of the execution of this Code of Conduct Interim Agreement a comprehensive Code of Conduct that is based on the principles and provisions herein.

G. Term

This Agreement shall be in effect as determined by the Parties.

H. Conditions Precedent

This Code of Conduct Interim Agreement is only effective if the CHA/SEIU-UHW Agreement dated April 25, 2014 is executed by both Parties to that Agreement.

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Hospital/Health System	SEIU-UHW	
Date:	Date:	
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EXHIBIT Q

From: Nancy Robinson [nrobinson@calhospital.org]

Sent: Tuesday, May 06, 2014 11:00 AM

To: C. Duane Dauner

Subject: CHA Non-Initiative Agreement with SEIU-UHW

[CHA logo with tag 2clr]

May 6, 2014

TO: CHA Board of Trustees and Selected Hospitals

FROM: C. Duane Dauner, President/CEO

SUBJECT: CHA Non-Initiative Agreement with SEIU-UHW

Through extraordinary efforts, a non-initiative solution with the Service Employees International Union-United Healthcare Workers West (SEIU-UHW) was approved last evening. I signed the Code of Conduct, Memorandum of Understanding (MOU) and private Side Agreement and sent them to Dave Regan. He signed and returned the documents, bringing to a close weeks of round-the-clock negotiations.

Special thanks to the elected CHA Officers is due. It is management's job to carry out the Board's directives and we are willing to accept all challenges that are presented. The elected Officers went above and beyond the call of duty, spending seven days for the past few weeks in meetings or conference calls. The Officers were instrumental in achieving the final result. I appreciate their dedication and willingness to give so much time and effort on behalf of all hospitals.

A mailing will be sent to hospitals today. A joint CHA and SEIU-UHW audio press conference is scheduled for 11:30 a.m.

Attached for your information are:

- § Joint Press Release
- § Summary, "Solving Big Problems Together"
- § Letter that will be sent to the Governor, members of the California Legislature, California Congressional Delegation and other statewide officials

Thank you for your support and perseverance during the past five months. Special thanks to everyone who signed a Code of Conduct or MOU to bring the deal to fruition. We look forward to refocusing on our public policy priorities and advocating for the membership with the Regional Associations.

who sighted a code of contact of Moo to bring the deal to find tion. We look forward to relocus	ing o
our public policy priorities and advocating for the membership with the Regional Associations.	
Thanks.	

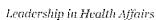
CDD:nr Attachments

EXHIBIT R

Note: The following article by Marty Gallegos (Senior Vice President, Healthcare Policy/Communications of the Hospital Association of Southern California) was first published on the website of the Hospital Association of Southern California (an arm of the California Hospital Association) in May of 2014.







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THIS ITEM APPEARS IN:

Blog

Historic Agreement with SEIU-UHW Paves the Way for Smoother Hospital -Labor Relations

MARTY GALLEGOS

Earlier this month, the hospital industry, led by the California Hospital Association (CHA), and the state's largest union of hospital workers. SEIU-United Healthcare Workers West (UHW), signed a breakthrough agreement to form a strategic relationship set to change the face of health care in California while at the same time serving as a new national model for how employers and unions interact.

At the center of the new agreement is the establishment of a \$100 million joint advocacy committee to drive improvements to the health care delivery system that could not be obtained through direct negotiation between employers and labor unions. A key goal for the relationship is to stabilize California's health care safety net. The agreement also provides for a code of conduct that will govern conversations between union representatives and hospital employees, thereby also eliminating negative campaigning and bitter attacks that were prevalent in the past.

The agreement will allow both parties to work more effectively toward increasing Medi-Cal reimbursement rates throughout the state; California currently ranks 49th in the nation. The focus will be on positive activities to accomplish this improvement, such as identifying new resources and financing approaches at the state and federal levels, as well as educational opportunities, legislative and regulatory efforts, a ballot initiative. and/or other strategies. Also, SEIU-UHW has agreed to not pursue its two ballot initiatives that would have focused on hospital pricing and executive pay at not-for-profit hospitals.

The overlying concept behind all of this is teamwork—a new word when talking about hospital and labor relations. We have truly reached a new era in health care when an agreement such as this serves as a national model for hospital management-labor relations. This accord will potentially ease tension between the two groups, set forth common goals for both groups to work toward together rather than apart, and foster meaningful dialogue rather than negativity. Indeed, this is something to celebrate.

Let us know your thoughts about this agreement and what it may mean for health care in California.

Print-friendly

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Marty Gallegos » Senior Vice President, Health Policy/Communications



Historic Agreement with SEIU-UHW Paves the Way for Smoother Hospital – Labor Relations

MARTY GALLEGOS

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5/19/2015

Historic Agreement with SEIU-UHW Paves the Way for Smoother Hospital - Labor Relations - Hospital Association of Southern California

Let us know your thoughts about this agreement and what it may mean for health care in California.

CONNETTE

Post new comment

Visitor	
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Comment: *	

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EXHIBIT S

FUNDING OUR CAMPAIGN FOR MEDI-CAL REFORM IN CALIFORNIA

RESOLUTION 13-14

Background:

About Medi-Cal:

- Medi-Cal is California's version of Medicaid, the federal program to provide healthcare to low income and disabled people. It has expanded dramatically under Obamacare and will soon provide healthcare to three out of every 10 Californians. Most of the 12,000 Californians SEIU-UHW members have helped enroll into healthcare are covered through Medi-Cal.
- California is at the bottom among states in the amount that healthcare providers get reimbursed to provide Medi-Cal funded services. This means providers, such as hospitals and physicians, lose substantial amounts of money providing care to Medi-Cal recipients, causing them to charge more to privately insured people and driving up healthcare and insurance costs for everyone, even those who get their health insurance through their employers. It also results in limited access to doctors and healthcare services for the people who depend on Medi-Cal.
- Medi-Cal is critical to SEIU-UHW members. It provides the majority of funding for homecare and nursing homes and a significant portion of the funding for many SEIU-UHW represented hospitals.
 Reforming Medi-Cal could give UHW represented employers, like Kaiser, access to many more Medi-Cal recipients to enroll as members. Low Medi-Cal reimbursement rates make many SEIU-UHW jobs less secure and put downward pressure on wages and benefits, especially threatening employer-paid healthcare coverage.

About the SEIU-UHW/California Hospital Association Agreement:

- In May 2014, SEIU-UHW signed a groundbreaking agreement with the California Hospital Association (CHA) aimed at reducing the cost of healthcare, creating greater access, improving quality and providing a rising standard of living for healthcare workers.
- The centerpiece of this agreement is a \$100 million labor/management committee formed to, among other things, improve Medi-Cal. With SEIU-UHW and CHA working in partnership, we will become the largest political force in the state. The CHA will provide \$80 million of the funding. SEIU-UHW must provide the remaining \$20 million, \$10 million in 2014 and \$10 million by mid-2016. Decisions about how to spend the money will be made jointly by SEIU-UHW and CHA.

Presented: 8/2/2014
Adopted: 8/2/2014
Amended:

Background: (continued)

About the SEIU-UHW budget:

- SEIU-UHW has a \$95 million annual budget and has about \$37 million in cash on hand in various reserve accounts.
- SEIU-UHW is constitutionally required and programmatically committed to spending 20% of its budget, after "per capita" payments to the SEIU International Union and central labor bodies, on organizing the unorganized. Every month, we deposit funds not spent on organizing, up to 20% of the post per capita income, into an organizing reserve account meant to fund strategic initiatives that support growth. We anticipate that account will have approximately \$9 million in it by the end of the year.
- SEIU-UHW sends its COPE funds directly to the International Union to support campaigns for federal office by candidates endorsed by the union. We receive a rebate from the International for any funds raised beyond our required contribution to use for state and local campaigns. In 2014, we expect to receive about \$1 million in COPE rebated from the International.

Whereas, we are in a moment when the labor movement is in steep decline as evidenced by the hundreds of millions of dollars spent by the anti-union Koch Brothers and others to defeat pro-labor candidates for office, the Harris vs. Quinn Supreme Court decision that eliminates union security for homecare workers, the union strong-hold of Michigan going right to work and the loss of public employee union rights in Wisconsin – the birthplace of public employee collective bargaining; and

Whereas, strong action on a scale that we have never seen before will be required to reverse these trends that, unchecked, will result in the elimination of the labor movement as a relevant economic and political force in the United States within a decade; and

Whereas, the SEIU-UHW/CHA agreement provides an opportunity to take such action on a large scale to fight for the common good while addressing the decline in organized labor; and

Whereas, improving the Medi-Cal system will directly impact the quality of healthcare received by 30% of Californians, reduce costs for all Californians and improve the job security and bargaining positions of SEIU-UHW members; and.

Whereas, the SEIU-UHW/CHA agreement calls for SEIU-UHW to commit \$10 million in 2014 towards an overall \$100 million fund to, among other things, improve Medi-Cal;

Now therefore be it resolved that SEIU-UHW will contribute \$10 million in 2014 to the joint SEIU-UHW/CHA labor-management committee to, among other things, improve Medi-Cal; and

Be it further resolved that \$9 million of that money will come from the SEIU-UHW organizing reserves and \$1 million from the SEIU-UHW COPE funds rebated from the SEIU International Union.

Presented: 8/2/2014
Adopted: 8/2/2014
Amended:

EXHIBIT T

Statement of Organization Recipient Committee

Statement Type

□Initial

Amendment
List I.D. number:

Termination - See Part 5
List I.D. number:

Page I

For Official Use only

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3. Verification I have used all reasonable dilige penalty of perjury under the laws	Verification I have used all reasonable diligence in preparing this statement and to the best of my knowledge the information penalty of perjury under the laws of the State of California that the foregoing is true and correct.	e best of my knowl	e the information	ed herein is tru	contained herein is true and complete. I certify under	. I certify under
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Statement of Organization Recipient Committee

Statement Type

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Not yet qualified or

Amendment
List I.D. number:

☐ Termination - See Part 5
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Page 2

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ယ	Verification I have used all reasonable diligence penalty of perjury under the laws of	Verification I have used all reasonable diligence in preparing this statement and to the best of my knowledge the information penalty of perjury under the laws of the State of California that the foregoing is true and correct.	e the information	contained herein is true and complete. I certify under
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Statement of Organization Recipient Committee

STATEMENT OF ORGANIZATION

CALIFORNIA 410

FORM

INSTRUCTIONS ON REVERSE

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COMMITTEE NAME	I.D. NUMBER
Caring for Californians Sponsored by Service Employees International Union, United Healthcare Workers West and California Association of Hospitals and Health Systems	1372740

4. Type of Committee Complete the applicable sections.

Controlled Committee

- List the name of each controlling officeholder, candidate, or state measure proponent. If candidate or officeholder controlled, also list the elective office sought or held, and district number, if any, and the year of the election.
- List the political party with which each officeholder or candidate is affiliated or check "non-partisan."
- If this committee acts jointly with another controlled committee, list the name and identification number of the other controlled committee.

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List the financial institution where the campaign bank account is located (controlled "candidate election" committees only)

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Primarily formed to support or oppose specific candidates or measures in a single election. List below:

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Recipient Committee Statement of Organization

INSTRUCTIONS ON REVERSE

COMMITTEE NAME Caring for Californians Sponsored by Service Employees International Union, United Healthcare Workers West and California Association of Hospitals and Health Systems I.D. NUMBER 1372740

STATEMENT OF ORGANIZATION

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		or oppose specific candidates or measures in a single election. Check only one box: COUNTY Committee STATE Committee	General Purpose Committee Not formed to support or oppose specific candidates or measures in a single election. Check only one box:	General

- 5. Termination Requirements By sigining the verification, the treasurer, assistant treasurer and/or candidate, officeholder, or proponent certify that all of the following conditions have been met:
- This committee has ceased to receive contributions and make expenditures;
- This committee does not anticipate receiving contributions or making expenditure in the future;
- This committee has eliminated or has no intention or ability to discharge all debts, loans received, and other obligations;
- This committee has no surplus funds; and
- This committee has filed all campaign statements required by the Political Reform Act disclosing all reportable transactions
- There are restrictions on the disposition of surplus campaign funds held by elected officers who are leaving office and by defeated candidates. Refer to Government Code Section 89519.
- Additional filing obligations will be incurred if, after terminating, the committee receives or spends any funds, or receives the forgiveness of a loan, repayments of loans made to others, or any other receipts.

Statement of Organization Recipient Committee

STATEMENT OF ORGANIZATION

CALIFORNIA 410

FORM

INSTRUCTIONS ON REVERSE

General Furpose Committee Not formed to support or oppose specific candidates or measures in a single election. Check only one box:	4. Type of Committee (Continued)	L.D. Caring for Californians Sponsored by Service Employees International Union, United Healthcare Workers West and California Association of Hospitals and Health Systems 137	
		I.D. NUMBER 1372740	Page 5

PROVIDE BRIEF DESCRIPTION OF ACTIVITY			
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Summary Page Campaign Disclosure Statement

SEE INSTRUCTIONS ON REVERSE

Caring for Californians Sponsored by Service Employees International Union, United Healthcare Workers West and California Association of Hospitals and Health Systems

Amounts may be rounded Type or print in ink.

to whole dollars.

SUMMARY PAGE

through from _ Statement covers period 01/01/2014 10/18/2014 Page 3 CALIFORNIA FORM .D. NUMBER of |4

1372740

19. Outstanding Debts Cash Equivalents and Outstanding Debts 혓 Miscellaneous Increases to Cash 18. Cash Equivalents 17. LOAN GUARANTEES RECEIVED 16. ENDING CASH BALANCE..... Add Lines 12 + 13 + 14, then subtract Line 15 13. Cash Receipts 12. Beginning Cash Balance = 9 ю œ တ Ġ ယ 'n **Current Cash Statement** Expenditures Made Contributions Received Cash Payments TOTAL EXPENDITURES MADE..... Nonmonetary Adjustment Loans Made If this is a termination statement, Line 16 must be zero Accrued Expenses (Unpaid Bills) SUBTOTAL CASH PAYMENTS..... Payments Made Monetary Contributions TOTAL CONTRIBUTIONS RECEIVED Nonmonetary Contributions SUBTOTAL CASH CONTRIBUTIONS Loans Received Add Line 2 + Line 9 in Column B above Previous Summary Page, Line 16 See instructions on reverse Column A, Line 3 above Column A, Line 8 above Add Lines 8 + 9 + 10 Schedule B, Part 2 Schedule C, Line 3 Schedule F, Line 3 Schedule H, Line 7 Schedule E, Line 4 Schedule I, Line 4 Schedule C, Line 3 Schedule B, Line 7 Schedule A, Line 3 Add Lines 1 + 2 Add Lines 6 + 7 Add Lines 3 + 4 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 \$0.00 TOTAL THIS PERIOD (FROM ATTACHED SCHEDULES) \$3,500,000.00 \$500,000.00 \$4,000,000.00 \$500,000.00 \$500,000.00 \$500,000.00 \$4,000,000.00 \$4,000,000.00 \$4,000,000.00 Column A carry over the amounts for this calendar year, only subtracted from previous figures that should be Column A may be negative from Column B of your last corresponding amounts amounts in Column A to the from Lines 2, 7, and 9 (if the first report being filed period amounts. If this is report. Some amounts in To calculate Column B, add \$0.00\$0.00 \$0.00 \$0.00 \$0.00 \$500,000.00 \$500,000.00 \$4,000,000.00 \$4,000,000.00 \$4,000,000.00 \$500,000.00 Column B
CALENDAR YEAR
TOTAL TO DATE 20. Contribution Received 21. Expenditures Made *Since January 1, 2001. Amounts in this section may be different from amounts reported in Column B. Candidates Calendar Year Summary for Candidates Running in Both the State Primary and Expenditure Limit Summary for State General Elections Date of Election (mm/dd/yy) 22. Cumulative Expenditures Made (If Subject to Voluntary Expenditure Limit) FPPC Toll-Free Helpline: 866/ASK-FPPC \$.00 \$.001/1 through 6/30 \$.00 \$.00 Total to Date 7/1 to Date

Monetary Contributions Received Schedule A

Type or print in ink. Amounts may be rounded to whole dollars.

SCHEDULE A

Statement covers period

wonetary	Wonetary Contributions Received	ō	to whole dollars.	Statement covers period from 01/01/2014		CALIFORNIA 460
SEE INSTRUCTIONS ON REVERSE	NS ON REVERSE			through 10/18/2014		Page 4ot 14
NAME OF FILER Caring for Californ	NAME OF FILER Caring for Californians Sponsored by Service Employees International Union, United Healthcare Workers West and California Association of	Ithcare Workers We	est and California Association of Hospi	Hospitals and Health Systems	1.D.	I.D. Number 1372740
DATE RECEIVED	FULL NAME, MAILING ADDRESS AND ZIP CODE OF CONTRIBUTOR (IF COMMITTEE, ALSO ENTER I.D. NUMBER)	CONTRIBUTOR	IF AN INDIVIDUAL, ENTER (IF SELF-EMPLOYED, ENTER NAME OF BUSINESS)	AMOUNT RECEIVED THIS PERIOD	CUMULATIVE TO DATE CALENDAR YEAR (JAN. 1 - DEC. 31)	PER ELECTION TO DATE (IF REQUIRED)
10/17/2014	California Association of Hospitals and Health Systems Sacramento, CA 95814 Memo Reference: INC3	IND COM OTH SCC		\$1,500,000.00	\$1,500,000.00	
10/15/2014	SEIU United Healthcare Workers West Oakland, CA 94612	OTH SCC		\$2,500,000.00	\$2,500,000.00	
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Schedule A Summary 1. Amount received this peri (Include all Schedule A s	Schedule A Summary 1. Amount received this period - contributions of \$100 or more. (Include all Schedule A subtotals.)		\$4	\$4,000,000.00	*Contributor Cod IND - Individual COM - Recipieni	*Contributor Codes IND - Individual COM - Recipient Committee
2. Amount rece	Amount received this period - unitemized contributions of less than \$100	an \$100	\$0	\$0.00	OTH-Other	(other than PTY or SCC)
Total monets (Add Lines '	Total monetary contributions received this period. (Add Lines 1 and 2. Enter here and on the Summary Page, Column A. Line 1.)	ımın A. Line 1.)	ТОТА	\$4,000,000.00	SCC - Sm	PTY - Political Party SCC - Small Contributor Committee

FPPC Form 460 (JUNE/01) FPPC Toll-Free Helpline: 866/ASK-FPPC

\$4,000,000.00

EXHIBIT U

LEADING TO REFORM MEDI-CAL IN 2015 ADOPTION OF THE 2015 BUDGET

RESOLUTION 14-14

As healthcare workers, we have a unique role to play in fixing California's Medi-Cal program and transforming healthcare in our state. We face big challenges but are committed to overcoming them for the benefit of Medi-Cal beneficiaries, providers, caregivers and Californians in general:

- The Medi-Cal program now covers more than 11 million Californians, more than any other "provider," and will continue to grow under the Affordable Care Act;
- California has the lowest Medi-Cal (Medicaid) payment rate per patient in the country, which
 means the healthcare industry hospitals, doctors, clinics and nursing homes lose billions in
 treating Medi-Cal patients;
- These huge losses hurt everyone: Caregivers struggle because there's just not enough funding
 for better wages and benefits; Medi-Cal patients cannot get care because providers won't see
 them; and everyone ends up paying more for healthcare.
- The Medi-Cal program must be reformed or else our state will soon have a two-tiered healthcare system, with the private-paying "have's" getting qualitatively better care than the "have-nots" on Medi-Cal, the majority of whom are women and children of color.

We face an added challenge because the Harris v. Quinn Supreme Court decision of 2014 has cut into the resources we need to lead on this action. However, we can overcome this challenge through exercising our leadership and prudently using our resources.

Therefore, be it resolved that SEIU-UHW adopts the 2015 budget as recommended by the SEIU-UHW Budget Committee dedicated to reforming Medi-Cal through:

Strengthening our member leadership teams with 10,000 members playing meaningful, substantial leadership roles, the 2015 budget:

- California Medi-Cal funding levels are decided by 120 elected legislators and 1 elected governor. We must have a robust Political Action Fund (PAC) to elect Medi-Cal champions. Our budget increases our PAC allocation to \$1.60 per member per month and continues our allocation of \$0.60 per member per month for political issues (PIC) for ballot measures. For budget purposes the increase in PAC shall be charged to the strategic organizing allocation.
- Funds lobby events to move our Medi-Cal reform agenda as well as improve the conditions for our home care members;

Presented:	12/6/2014
Adopted:	12/6/2014
Amended:	

LEADING TO REFORM MEDI-CAL IN 2015 ADOPTION OF THE 2015 BUDGET RESOLUTION 14-14

- Engage leaders in home care "blitzes" to counteract the impact of the Harris v. Quinn decision and give hope to thousands of home care workers; and
- Funds a 2015 Leadership Assembly that both builds unity and promotes leadership accountability.

Leading as a premier healthcare organization and moving Medi-Cal reform forward, the 2015 budget:

- Increases funds for member events to build on our 2014 success with our community partners by sponsoring Obamacare enrollment events with a Medi-Cal reform message; and
- Improves our communications to members and to the public through state-of-the-art, creative technology.

Achieving representational excellence, the 2015 budget:

- Adequately funds training and member lost-time for bargaining with Kaiser Permanente, Dignity Health, Sutter Health, and other independent hospitals, home care counties, and nursing homes;
- Focuses on expanding the successful Kaiser contract specialist program to the Hospital Division with its core team trainings, and improved mediation and arbitration process, which has resulted in legal cost savings;
- Restructures and improves the Nursing Home Division Steward Program; and
- Strengthens leaders' ability to utilize the mandatory home care orientations we won to engage home care workers in furthering the Coordinated Care Initiative (CCI) of 2012 with its emphasis on skills training and increasing wages.

Moving toward our goal of organizing 300,000 healthcare members into our union, the 2015 budget:

- Dedicates the required SEIU 20% mandate for organizing for growth in our industry (\$14.6 million), including a strategic organizing fund for creative growth strategies and funding our obligation under the CHA Agreement to fix Medi-Cal,
- Utilizes the opportunities through our ground-breaking 2014 CHA Agreement for our member organizers to engage with not-yet union hospital workers.

Presented:	12/6/2014
Adopted:	12/6/2014
Amended:	