

Behavioral Health Professionals Negotiate with Kaiser Permanente

Nearly 2,400 behavioral health professionals in Southern California are engaged in contractual negotiations with Kaiser Permanente over quality of care, safe staffing, workforce, and compensation issues. Their current contract expired September 30, 2024. The negotiations are taking place just months after Kaiser paid the largest mental health fine in California's history (\$50 million). Furthermore, they occur at the same time that Kaiser is set to begin a two-year, government-imposed "corrective action plan" that aims to bring the HMO back into compliance with state mental health parity laws.

Which NUHW caregivers are involved in negotiations with Kaiser?

- About 1,570 Psychologists, Licensed Clinical Social Workers, Licensed Marriage & Family Therapists, Addiction Medicine Specialists, and Case Managers who practice in more than 50 clinics, emergency rooms, call centers, and other facilities across Southern California.
- About 830 Psychiatric RNs and Medical Social Workers who practice in Kaiser's home care, palliative care, and social medicine departments across Southern California.

What's the status of the negotiations?

Negotiations began on July 31, 2024, after Kaiser rejected caregivers' request to begin negotiations in April. The contract expired on September 30, 2024. Workers will begin an open-ended strike on October 21. The three major sticking points in negotiations are:

- Kaiser's refusal to provide caregivers the same guaranteed 7 hours for patient care duties that can't be done during face-to-face appointments as it provides their counterparts in Northern California.
- Kaiser's refusal to restore pensions that it provides to virtually all of its 180,000-member California workforce other than its Southern California mental health caregivers.
- Kaiser's refusal to address severe pay inequities built up over time that result in mental health therapists making up to 40 percent less than non-mental health therapists whose jobs require less education and licensing requirements.

What improvements do caregivers seek?

Caregivers seek to secure safe staffing levels and reduced appointment wait times for their patients. Key to accomplishing these goals is improving Kaiser's workforce recruitment and retention by providing NUHW members with the same pay and retirement benefits as other Kaiser caregivers. Secondly, caregivers have proposed that Kaiser provide them with the same amount of time in their weekly schedules for patient care duties outside of face-to-face appointments as their Kaiser counterparts in Northern California, who are also members of NUHW. More details are below.

What role does Kaiser play in California's behavioral health services?

As California's largest health insurance company and medical provider (9.4 million members), Kaiser plays an outsized role in shaping our state's behavioral health services. Furthermore, Kaiser cares for the largest share (34%) of Californians enrolled in Covered California¹ and has expanded its role in California's Medi-Cal Program under an initiative from the Newsom administration. Since the beginning of 2024, Kaiser has added at least 750,000 Medi-Cal enrollees to its rolls² despite DMHC citing Kaiser for understaffing its behavioral health services.

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Can Kaiser afford the improvements proposed by clinicians?

Yes. During the first six months of 2024, Kaiser reported \$1.8 billion in operating profits plus another \$2.2 billion in investment income. Since 2018, the HMO has reported \$31.0 billion in profits.

What do caregivers seek regarding patient care duties outside of therapy appointments?

In addition to diagnosing and treating patients, Kaiser requires clinicians to perform various patient care duties such as charting in patients' medical records, responding to patients' phone calls and emails, preparing and tailoring patients' treatment plans, and corresponding with other medical providers and social service agencies. In Northern California, Kaiser provides approximately *7 hours* per week for full-time NUHW clinicians to perform these duties. In contrast, Kaiser allots its Southern California clinicians with *as few as two hours* per week for these same duties, forcing caregivers to work many hours of unpaid overtime that contributes to burnout and attrition.

How are caregivers underpaid?

From 2011 to 2015, Kaiser imposed a pay freeze on its behavioral health professionals in Southern California at the same time that it provided annual cost-of-living-adjustments to the rest of its workforce. Consequently, the wage rates for Kaiser's behavioral health workforce have fallen significantly behind, exacerbating Kaiser's struggle to recruit and retain staff. Today, Kaiser pays behavioral health therapists as much as *40% less* than medical therapists, such as radiation therapists, who require far less training and education, have fewer licensing requirements, and have lower levels of responsibility with respect to diagnosing and treating patients.

Why do caregivers receive lower retirement benefits than other Kaiser staff?

Virtually all of Kaiser's 180,000 employees in California receive a pension – *except for* the vast majority of the nearly approximately 2,400 behavioral health professionals in Southern California. Why? In 2015, Kaiser unilaterally imposed a reduction on these caregivers that stripped all future hires of Kaiser's pension benefits and instead gave them a cheaper 401(k) plan. As of August, only 670 Kaiser behavioral health professionals had pensions, while 1,716 only 401k plans. During an average career, they receive approximately *half* the retirement benefits as other Kaiser staff. In Northern California, all of Kaiser's behavioral health clinicians still receive Kaiser's standard pension plan.

How are patients impacted by Kaiser's behavioral health inequities?

Kaiser's undercompensation of its behavioral health clinicians and medical professionals harms its ability to recruit and retain a stable and experienced workforce. Southern California therapists without Kaiser's standard pension benefits are *twice as likely* to leave Kaiser as those with pension benefits, according to Kaiser's workforce data. In 2023, the staff turnover rate among therapists with Kaiser's cheap 401(k) plan was 18% compared to just 9% for therapists who receive standard pension benefits.

One quarter of the 1,508 therapists who were hired by Kaiser's Southern California region between January 2021 and August 2024 have left their positions. Of the 367 departed therapists, nearly two-thirds (64%) left Kaiser within 12 months of their hire date.

High turnover interrupts and undermines the care of thousands of Kaiser's enrollees each year. In order to provide effective treatment, therapists must build and maintain trusting relationships with their patients. This "therapeutic alliance" is the principal tool for treating conditions ranging from anxiety and depression to PTSD and suicidal ideation. When therapists depart the workforce, patients must start over with new therapists, interrupting their treatment and delaying recovery.

1 Covered California, Active Member Profiles, March 2024.

2 DMHC, Health Plan Financial Summary Report, March 31, 2024.