TO: Physicians and Staff

FROM: Milton Anderson, Senior Vice President and Chief Human Resources Officer

Joseph Fournier, JD. MHA. UMass Memorial Associate Vice President, Labor and

Employee Relations

DATE: November 7, 2012

RE: Update on Union Negotiations

We are pleased to announce that last week, our employees who are members of the United Food and Commercial Workers-Skilled (UFCW-Skilled) union ratified a new three-year contract. UFCW-Skilled represents 40 members of our skilled trades at the Medical Center. On behalf of John O'Brien, Jennifer Daley, MD, and our entire leadership team, we thank the UFCW-Skilled union leadership, bargaining teams and membership for their collaboration with our Medical Center bargaining team to finalize this contract, one that is consistent with the contract we negotiated with the larger UFCW union in May of this year.

The UFCW-Skilled members approved a contract that includes pension plan changes similar in scope to what will be effective for our Worcester-based non-union staff and management and our UFCW, State Healthcare and Research Employees (SHARE), National Association of Government Employees (NAGE), and New England Coalition of Public Safety (NECOPS) employees. These changes – effective in January 2017 – preserve the defined benefit plan and ensure that all of our employees have a secure pension plan in the future. The new contract also limits time-off accruals for new hires to UFCW-Skilled positions and provides fair and competitive wage increases. Additionally, new UFCW-Skilled part-time employees will have a reduced health insurance benefit.

Again, thank you to our UFCW-Skilled employees, who, with our other union partners, have demonstrated forward thinking in a most challenging economic environment, and have recognized UMass Memorial's need to become more affordable to our patients. We appreciate their efforts in helping us to maintain wages and benefits for our employees that are fair and competitive with our peer health care organizations.

Negotiations with our two separate Massachusetts Nurses Association bargaining units at the Medical Center continue. We have put proposals on the table relative to pension reform, health insurance and time-off accruals. Our Worcester-based non-union staff and management and all of our other unions have now agreed to similar changes in order to address the serious fiscal challenges facing us all. Our goal is to reach a fair contract with the MNA that balances the needs of all parties, particularly as we continue to address a health care landscape that is increasingly challenging for our patients. We appreciate our nurses' ongoing commitment to providing safe, quality and patient-centered care.

As these negotiations progress, we will continue to bring you information over the coming months. As always, do not hesitate to reach out to either of us if you have specific questions you wish to be addressed.