

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: September 28, 2012
RE: Update on Union Negotiations

We are very pleased to announce that earlier this week, our employees who are members of the State Healthcare and Research Employees (SHARE) union ratified a new four-year contract. On behalf of John O'Brien, Jennifer Daley, MD, and our entire leadership team, we thank the SHARE leadership, bargaining teams and membership for their partnership on reaching this agreement. This agreement is the product of a collaborative effort that demonstrates our joint commitment to making care more affordable to our patients now and in the future and to maintaining wages and benefits for our employees that are fair and competitive in the marketplace.

Earlier this week, Mr. O'Brien addressed all UMass Memorial Health Care employees about our successes toward fiscal sustainability as well as our continued challenges and the steps we must take to guide our organization through tough times. These efforts are crucial for our financial health, and as we close the books September 30 on fiscal year 2012 and assess our developing fiscal picture in 2013, it is already apparent that we are facing a gap of approximately \$80 million.

"We remain firm in our goal to be more affordable while meeting the health care needs of our community to the best of our ability," Mr. O'Brien wrote. "We will be successful...because we are a strong, vibrant and important pillar of health care for all the communities we serve."

The strength Mr. O'Brien speaks of comes from our employees, in both our non-union and union ranks. Our SHARE employees now join our National Association of Government Employees (NAGE), United Food and Commercial Workers (UFCW) members and the New England Coalition of Public Safety (NECOPS) employees in ratifying contracts with similar provisions that are based on an understanding of our need to become more affordable for our patients and to preserve jobs, and fair and competitive wages and benefits for our employees.

The SHARE 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 NAGE, UFCW and NECOPS members in 2017. These changes – effective five years from now -- are essential to ensuring the pension remains viable well into the future. The new contract also limits time-off accruals for new hires to SHARE positions and provides wage increases that are fair and competitive in our region. Additionally, SHARE has joined us over the last several months to work on a health and wellness initiative that we look forward to rolling out for employees across our system.

Thanks once again to our SHARE employees, and the various union bargaining teams and leadership for their dedication to the UMass Memorial mission of serving our community.

Negotiations with our two separate Massachusetts Nursing 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 unions have now agreed to similar changes in order to address the serious fiscal challenges facing us all. We continue to look forward to the MNA joining us in our efforts to respond to the shifting health care landscape and make care more affordable for our patients as we strive to reward all of our employees in an equitable manner.

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.