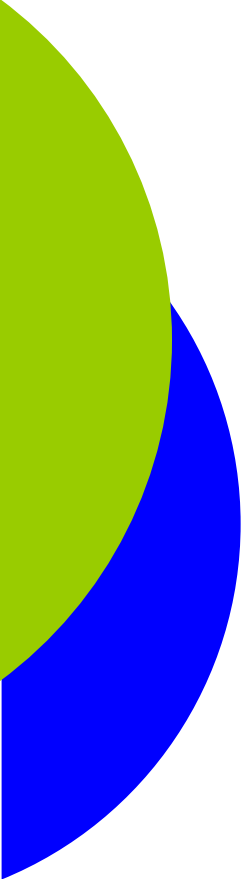


Oregon Nurses Association Providence Portland Medical Center Status Report on Bargaining

**How do things stand as of Friday,
January 23rd and what might we
do next.**



We want you to give some guidance to the bargaining team about what to do by filling out a quick survey.

But before you fill out the survey please consider some of the following.

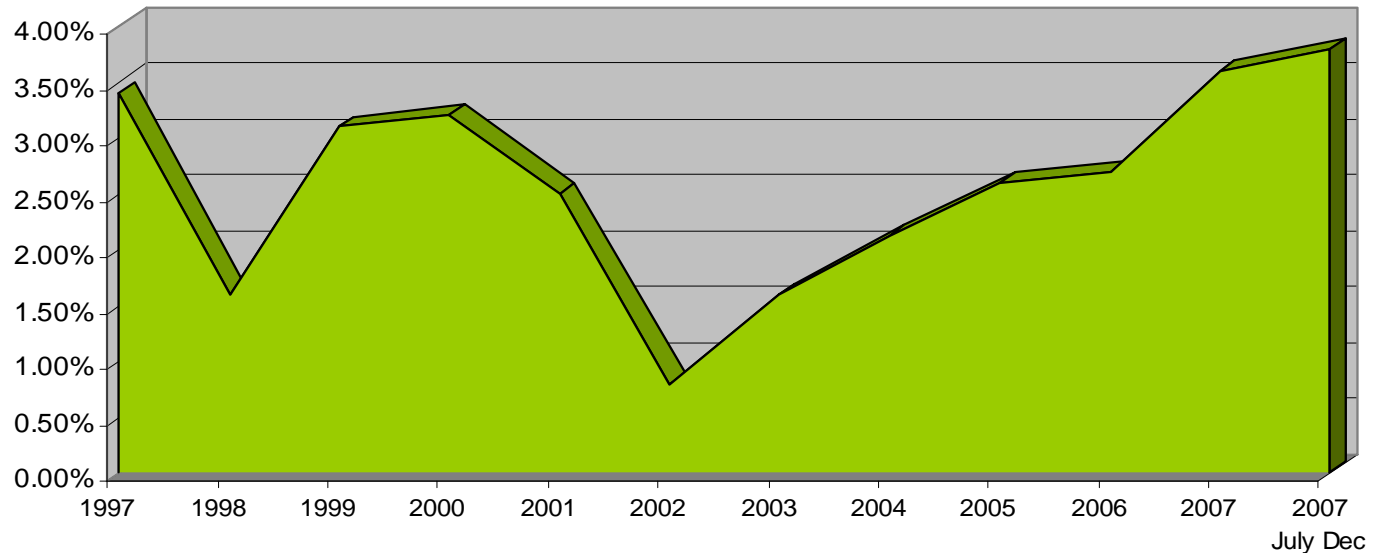


Inflation

- **When St Vincent nurses settled their contract in the spring . . .**
- **Inflation was on the rise.**
- **Gas was over \$4.00 a gallon.**
- **Then the economy tanked.**
- **Now every day we are only reading bad news in the Business Page.**
- **We might even see de-flation.**

Inflation

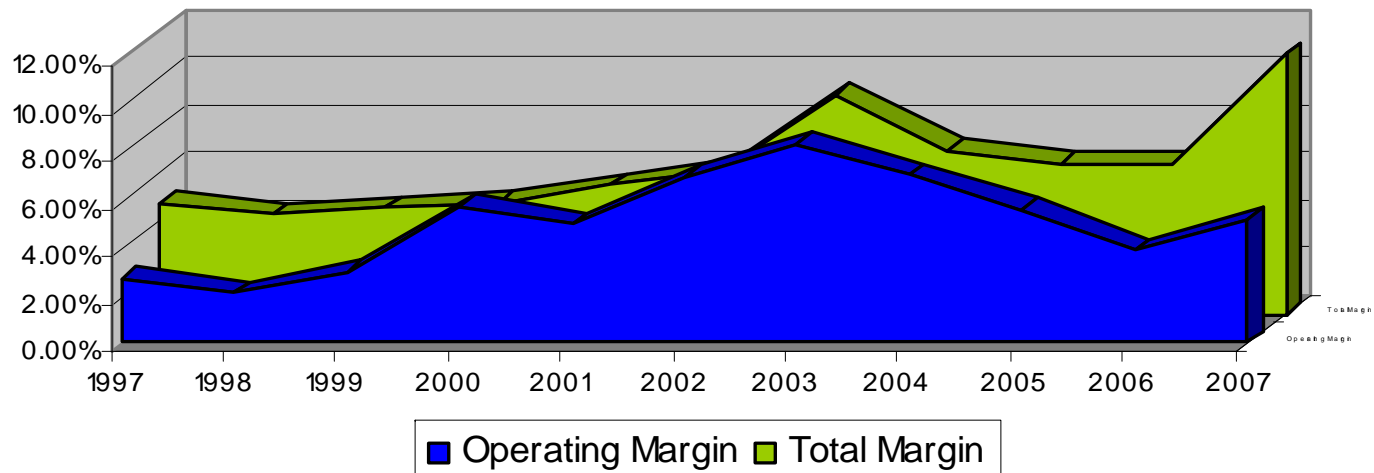
Inflation over the decade. 2007 came in at 3.9%



We should see 2008's report in Late February. Given where things are going it might be lower.

The Hospital's Profitability

PPMC % of Profit over the Decade



The Hospital's Profitability in 2006

Hospital or Medical Center	Operating Revenue	Operating Income	Operating Margin	Net Income	Total Margin
Providence Hood River	\$48,406,000	\$4,738,000	9.80%	\$6,682,000	13.30%
Providence Medford	\$125,218,000	\$3,295,000	2.60%	\$7,827,000	6.00%
Providence Milwaukie	\$64,247,000	(\$1,624,000)	-2.50%	(\$1,125,000)	-1.70%
Providence Newberg	\$54,622,000	(\$1,601,000)	-2.90%	(\$1,601,000)	-2.90%
Providence Portland	\$490,637,000	\$19,112,000	3.90%	\$32,149,000	6.40%
Providence St. Vincent	\$626,700,068	\$46,126,000	7.40%	\$81,785,000	12.30%
Providence Seaside	\$34,769,000	\$1,074,000	3.10%	\$1,371,000	3.90%
Total (or Average) Providence Facilities	\$1,444,599,068	\$71,120,000	3.10%	\$127,088,000	5.30%

The Hospital's Profitability in 2007

Providence Hospital	Total Operating Revenue	Total Operating Expenses	Net Revenue Operations (Profit)	Net Revenue % (Profit)	Net Non-Operating Revenue (Profit)	Net Revenues (Profit) in Total	Total Net Revenue %
Hood River	\$51,164,000	\$44,917,000	\$6,247,000	12.2%	\$5,557,000	\$11,804,000	20.81%
Medford	\$137,012,000	\$131,781,000	\$5,231,000	3.8%	\$1,322,000	\$6,553,000	4.74%
Milwaukie	\$72,737,000	\$70,232,000	\$2,505,000	3.4%	\$1,825,000	\$4,330,000	5.81%
Newburg	\$65,809,000	\$61,556,000	\$4,253,000	6.5%	-\$4,000	\$4,249,000	6.46%
Portland	\$509,197,000	\$482,873,000	\$26,324,000	5.2%	\$34,718,000	\$61,042,000	11.22%
St. Vincent	\$650,038,000	\$592,409,000	\$57,629,000	8.9%	\$72,726,000	\$130,355,000	18.04%
Seaside	\$35,200,000	\$35,864,000	-\$664,000	-1.9%	\$1,042,000	\$378,000	1.04%
Total (or avg) all Facilities	\$1,521,157,000	\$1,419,632,000	\$101,525,000	6.7%	\$117,186,000	\$218,711,000	13.35%

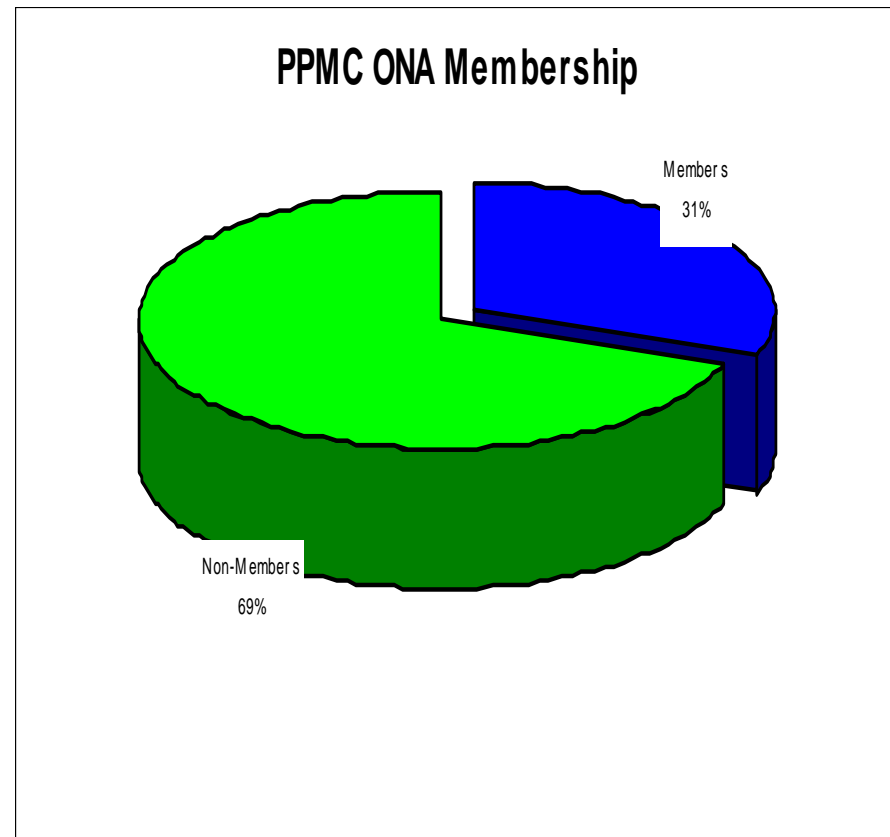


The Hospital's Profitability in 2007

- This was one of our Hospital's best year's ever.
- This was one of the state's best year's ever.
- That said, there is probably some truth to their hysteria now.
- Their investment income in 2008 like everyone else's will be down.

Our Membership is Low

- Out of 1083 nurses.
- Only 332 are dues payers.
- The Hospital views that lopsided membership as support for them not ONA.





The St Vincent Wages

- They got 4.5% last year, that caught them up to us.
- They got 4% this year starting Jan. 2009.
- They will get 4% in Jan. of 2010 and 4.5% in Jan. of 2011.
- In the spring of 2008 some of us thought this settlement was not so great.
- Now we think it is wonderful!!!!



The St Vincent Insurance

- On the Base Plan no premium to pay for life of contract if you are full time and only 10% to pay if you are part-time.
- But deductibles and out-of-pocket max increased for 2009.
- Their ONA Team agreed to this.



The St Vincent Contract

- There were smaller increases in some shift differentials, preceptor pay, and call (standby pay).
- An improved low census process.
- No retirement improvements of any kind.
- They also agreed to make their contract go for four years.



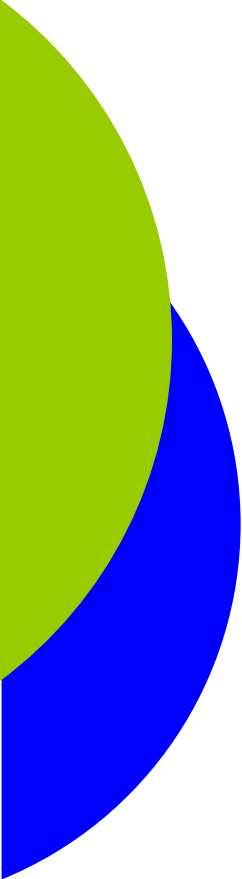
The St Vincent Staffing

- **Staffing: The Hospital acknowledged that they will follow the law (HB 2800).**
- **They also agreed to work on creating a “Healthy Work Environment”.**



The St Vincent Staffing

- As it turns out all they got was an acknowledgement that the Hospital must follow the law.
- This **“acknowledgement”** means they cannot be forced contractually to follow the law if they fail to do so.
- While they are still working on their Healthy Work Environment, the jury is not yet out on if it is working.



**So where are we
at with our**

**bargaining as of
last Friday?**



The Key Issues Remaining

- **Wages**
- **Differentials**
- **Health Care**
- **Staffing**
- **Health Work Environment**
- **Retirement**
- **Membership**
- **Length of Contract**



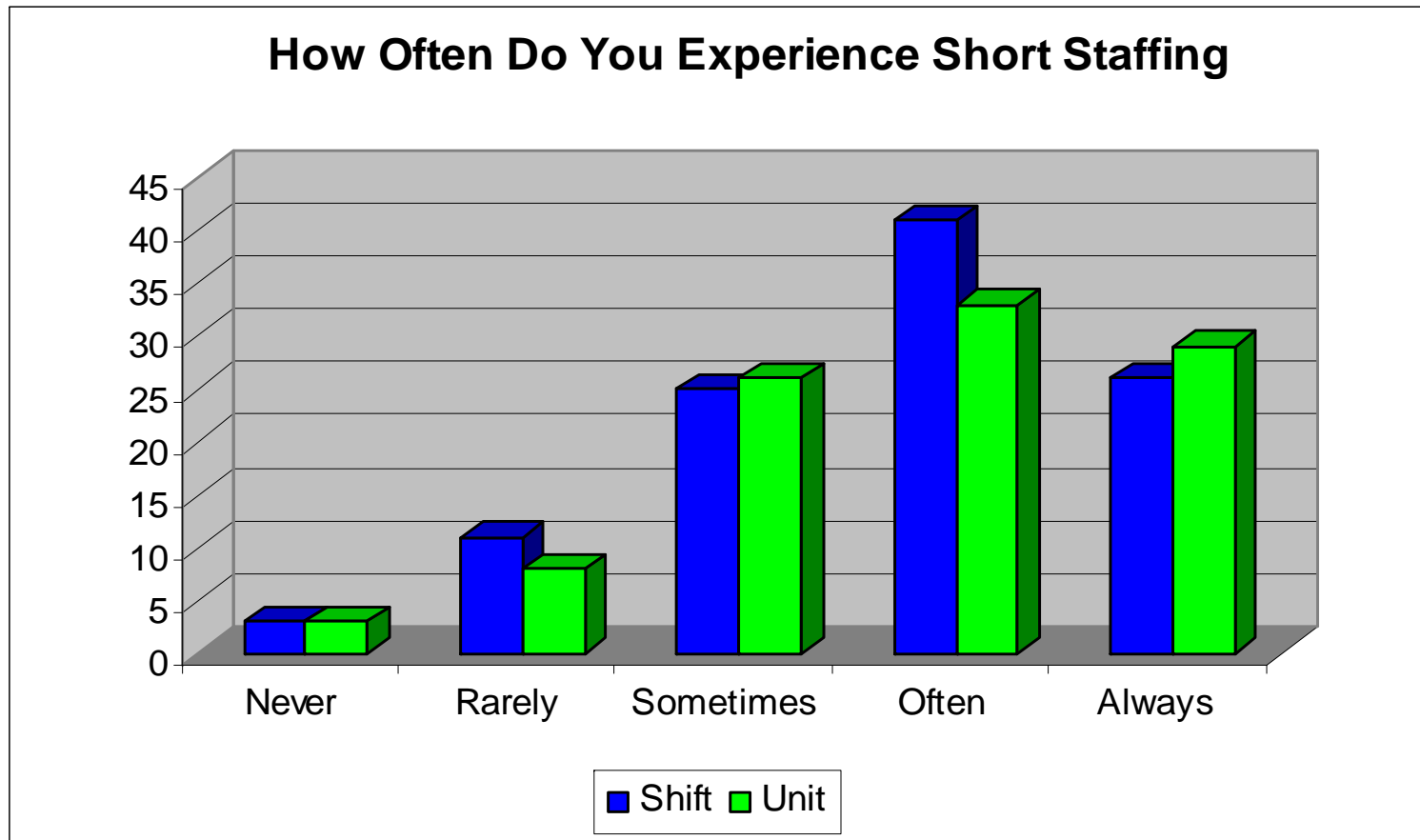
Better Staffing



HB 2800 passed in 2005

- This law said that nurses were to be involved in establishing the staffing on their unit.
- The law also said that staffing should be based on patient acuity and intensity.
- Neither of these are happening consistently within this Hospital.

ONA Survey Results





Better Staffing

- We have three staffing proposals on the table.
- One to add 64 more FTE to 14 different units that made requests for additional FTE.
- One to improve the staffing committee process and define its work and role better.

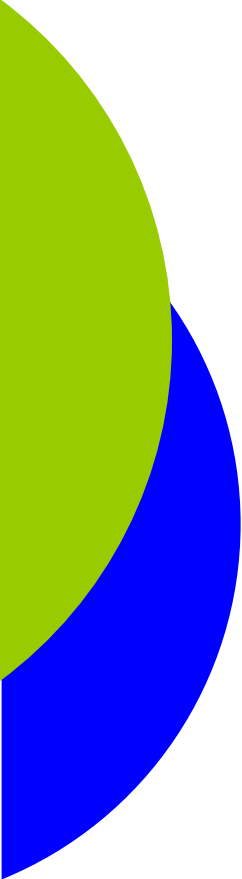


Nursing Influence. ONA Membership --- and Length of Contract



ONA Membership and the Length of the Contract

- A requirement to join or a 3 year contract so that we can bargain together with St Vincent would improve our clout a lot.
- The Hospital is resisting both of these ideas.
- We have some other proposals that would also help though they are less effective.
- The Hospital is saying no to these proposal as well.



Health Care

Benefits



Health Care Benefits

- We know the Hospital wants to increase the deductibles and the out-of-pocket maximums on the Base Plan.
- This means a **\$100 increase** in the deductible for the individual and **\$300 for the family**.
- It also means a **\$750 increase in the out-of-pocket maximums**.



Health Care Benefits

- **We have the best Base EPO Plan in the state.**
- **They cannot legally take this away from us in 2009 with out ONA agreeing.**
- **All we have to do is say No!**
- **SERIOUSLY.**



Health Care Benefits

- **Based on historical data the Hospital spent about \$21 million to cover medical costs for all their employees at PPMC in 2008.**
- **The told us the cost for 2009 would go up around 13%. We estimated that to mean it will cost them \$23 million for PPMC employees this year.**



Health Care Benefits

- **If we don't agree to change them in 2009, the Hospital estimated the additional cost at 1.44%. This is a little less than \$300,000 for the year.**
- **To put this in perspective a 4% wage increase for every RN in 2009 probably costs around \$2.3 million.**



Retirement

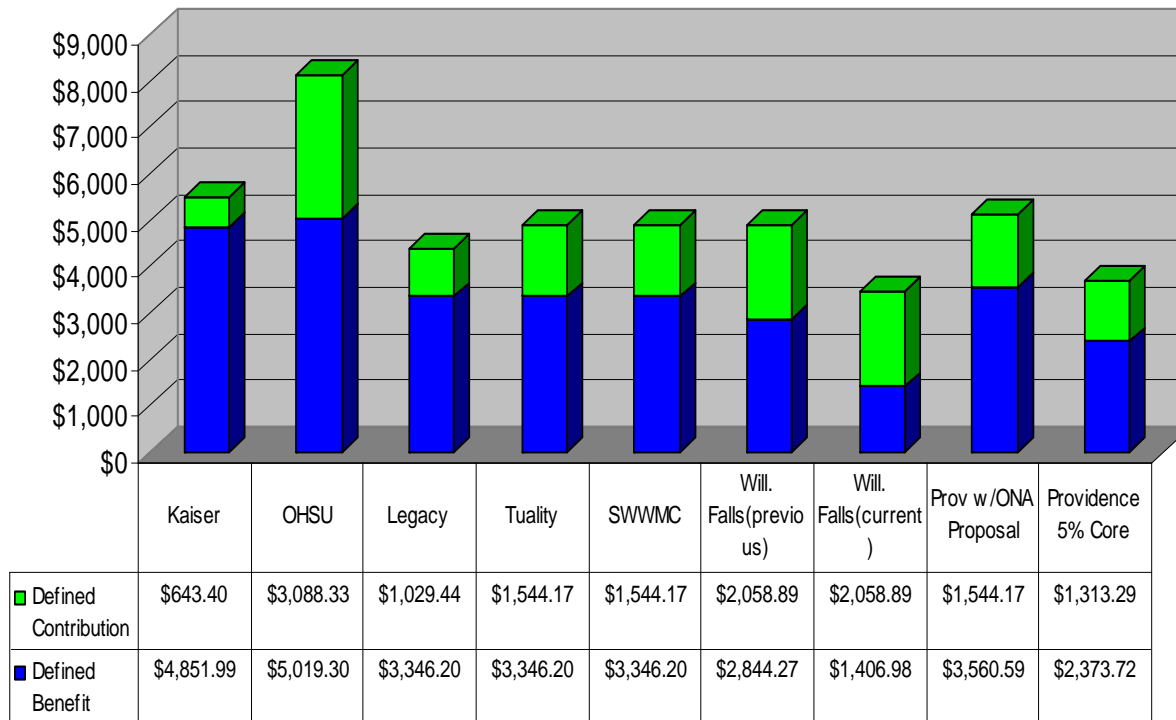


What is your retirement

- **The Core Plan is like a pension everywhere else. It is a guaranteed benefit based on 5% of all your earnings.**
- **The Value Plan is like a 401K. It is a guaranteed contribution based on earnings and years of service a 3% match on a 6% contribution after 10 years of service.**

Worth of your retirement

Worth of Your Retirement if you retire at age 65





Improving Your Retirement

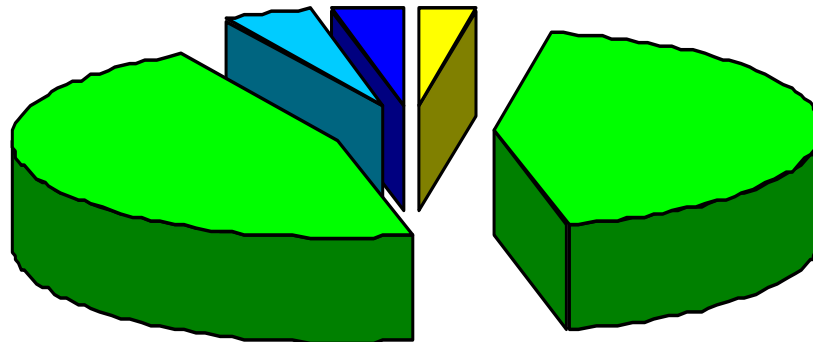
- **The Hospital admitted that we were right about your retirement.**
- **If you make it to age 65, when compared to other employers, your benefit is not as good.**
- **They also said very few of you make it to age 65.**



Wages

ONA Survey Results

How Much of A Raise Do We Need



3% 4% 5% 6% Not Sure



Wages

- **In the spring of 2008 4% increases looked inadequate.**
- **In the winter of 2009 they look just fine.**
- **Getting better than St Vincent would be darn hard right now.**
- **If we did not have the St Vincent settlement to compare to, getting 4% on our own would be darn hard.**



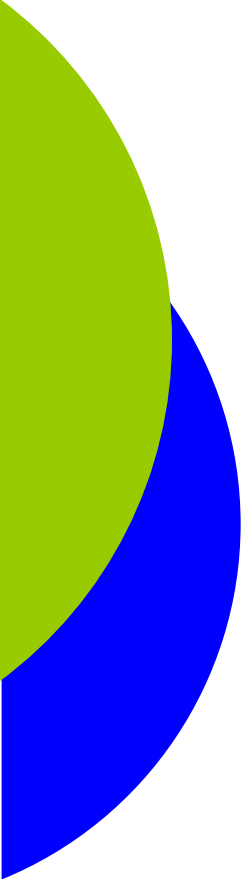
Other Compensation

**Differentials, Call Pay,
Preceptor Pay, Certification
Pay, Clinical Ladder, etc.**



Differentials and premiums

- We compare fine to St Vincent and to other Hospitals.
- We will take what ever modest gains we can get for night shift, call pay, preceptor pay, AHN differentials and charge nurses, certifications and clinical ladder.



**Now tell us
what you
think.**

**But before you do
consider this.**



Consider this.

- **The Hospital has practically told us that they will pay us like St Vincent.**
- **Though they want us to denigrate our Base EPO plan in exchange -- like St Vincent did for 2009.**
- **Okay, but remember to preserve it for only one more year it only costs PPMC \$300,000.**
- **And we already have this.**



Consider this

- **We probably cannot gain any improvement in our retirement benefits right now.**
- **To set ourselves up for that in the future we would need a three year agreement to be able to bargain jointly with the St Vincent RNs.**



Consider this

- The Hospital does not want us to have a real enforcement mechanism to follow the staffing law.
- With out a real enforcement mechanism in the contract -- our changes of getting staffing improved via the staffing committee are slim.



Consider this

- **If we call their bluff a little,**
- **If membership comes up,**
- **We can probably get the St V wages in a two year agreement, keep a good base plan for 2009, and gain some improvement in the staffing committees process – and maybe some more staff.**



Consider this

- **If we are really willing to be tough,**
- **We can get some staff added to some of the units that really need it and get an enforcement mechanism for staffing in the contract.**
- **The wages, retirement, and health care are probably close to the best we can get even if we are tough.**
- **Militancy will help our staffing issues.**



Consider this

- **Thanks for coming and thanks for voting.**
- **Get some other nurses to come listen and vote.**
- **Consider joining ONA if you are not a member already.**