

# Negotiations **FAQs**

## Answers to some frequently asked questions about contract negotiations

### How long have negotiations been going on and why did it take so long for the hospitals to present their economic package?

While it may seem like negotiations have been going on for a long time, in reality, the hospitals and the union have only been negotiating for about six months. As you may recall, bargaining first began in February 2020 and was suspended the following month so we could all focus our attention on managing the COVID pandemic.

We resumed side table negotiations in February of this year and moved to common table in May, where the economic proposals were scheduled to take place. The union is usually first to present their economic package followed by the hospitals.

In most negotiations, economic discussions usually take place later in bargaining. Given all that has transpired in the past year, the gravity of our financial situation, and the time it takes to cost out the union's economic proposals and our proposals, it is not unreasonable or unusual to present our economic package at this time.

### What is the difference between the union's and the hospital's initial wage proposal?

Catholic Health is committed to providing all associates – whether represented by a union or not – with market-competitive compensation, including wages and benefits.

The healthcare sector, and hospitals in particular, experienced dramatic changes this past year, some of which are here to stay. This has led to unprecedented losses for our industry and our system, which we have discussed in previous communications.

The union's initial wage proposal of a 6% increase per year is impractical. The hospitals have initially presented a 1% per year increase that is closer to healthcare industry and New York market increases.

### Why is Catholic Health proposing changes to our retirement plan?

Based on an examination of Catholic Health-provided retirement plans, we determined that participation in a 403(b) plan (a defined contribution plan) will better position associates financially for retirement than the existing pension plans (defined benefit plans).

For their initial offer, the hospitals proposed transitioning associates in our pension plans to our 403(b) (defined contribution plan) with an employer contribution of 3% and

a 50% employer match of up to 3%, for a total employer contribution of up to 6%. CWA-represented associates involved in this transition will keep the vested benefits they have earned in their pension as of 12/31/21 and would have the opportunity to build value in our 403(b) plan beginning 1/1/22.

While pension plans were once the standard retirement savings plan, most employers no longer offer them today because they can be financially unsustainable. You have our assurance, however, that Catholic Health will continue to contribute all necessary funds to the suspended pension plans to ensure they are able to pay the benefits our associates are entitled to upon their retirement.

In looking at this transition, it's important to note that 403(b) plans offers numerous benefits pension plans do not, including: investment options (you can decide how aggressive or conservative you want to be with investing your money), employer matches (your savings are compounded through employer matches), tax savings (you can save for your retirement on a pre-tax basis, reducing your income tax bill), and portability.

### How is the Hybrid High Deductible Health Plan different from other high deductible plans?

The hospitals proposed offering the First Choice Hybrid/High Deductible Health Plan (Hybrid/HDHP) to CWA members in 2022 and transitioning all bargaining unit associates to the Hybrid Plan in 2023.

Unlike true high deductible plans, the Hybrid/HDHP offers many of the benefits of a comprehensive, copay-based health plan with lower bi-weekly premiums. While an annual deductible needs to be met for many services, the Hybrid/HDHP offers prescription coverage with tiered copays, and pays 100% for preventive care services from in-network providers, like annual checkups, colonoscopies, mammograms, immunizations and well-child visits, all of which are not subject to the annual deductible.

The Hybrid/HDHP design offers lower bi-weekly associate premium payroll deductions than the original First Choice Plan.

**Because it's important to have the facts regarding the progress of negotiations, we will share regular Frequently Asked Questions with you. You may visit [www.chsbuffalo.org/negotiations](http://www.chsbuffalo.org/negotiations) at any time for the latest news and information related to bargaining and to review copies of these FAQs and other Negotiation Updates.**