

Negotiations

UPDATE

IMPORTANT INFORMATION FOR CWA BARGAINING UNIT MEMBERS

Hospitals Present Their Initial Economic Package to the Union

Following a comprehensive financial review of the Union's economic package, **the Hospitals presented their own package to the Union on July 14.** We anticipate the Union will take time to review our proposals before we begin detailed discussions on the specifics of both packages.

Below, you'll find an overview of our initial proposals on:

- Wages
- Pension
- Health Insurance
- Staffing

Economic Overview

Economic proposals are often the most important and complex part of bargaining because they have such a significant impact on our associates and our hospitals. **The Hospitals remain committed to offering competitive wages and benefits to attract and retain top talent and maintain appropriate staffing levels.**

Given the current state of the healthcare industry and the financial pressures facing all providers (see article to the right), we must carefully balance our commitment to competitive wages and benefits with the need to ensure we have the resources to support our hospital operations. While the final economic provisions of the contracts are still subject to negotiation, **the Union's initial economic package is estimated to cost the Hospitals more than \$400 million over four years.**

Wages

Our initial wage proposal includes an adjustment to the RN wage scale, resulting in an average increase of 3.4% for year one. It also includes a 2% general wage increase (GWI) each subsequent year of the contract. **The Union proposed wage increases of 12%, 8%, 6%, and 6% over the same period.** As you know, these figures are just a starting point for our discussions and don't necessarily represent a final offer. After several months of bargaining, CWA and Kaleida Health reached a tentative agreement that includes GWIs of 3%, 3%, and 4% over three years.

A Closer Look at the State of Healthcare

Hospitals across the country are facing significant financial challenges as they struggle to maintain services and access to care amid declining reimbursement rates and rising costs. Many health systems are experiencing reimbursement reductions, or small increases that fail to keep pace with inflation, from both public programs like Medicare and Medicaid, and private insurers, placing added pressure to already tight financial margins.

At the same time, operating costs continue to climb. Expenses for medical supplies, technology investments, and infrastructure upgrades are increasing, while reimbursement rates often remain flat. This growing gap makes it harder for hospitals to invest in improvements, retain skilled staff, and expand access to care.

Private insurance payments, once a stabilizing force, are also tightening. Hospitals report more frequent denials, longer reimbursement timelines, and modest rate increases that don't reflect the true cost of care. This trend adds to the financial uncertainty many providers face.

As patient volumes rise and demand for services grows, hospitals are under increasing pressure to deliver high-quality care with fewer resources. Health leaders agree that long-term solutions are needed to strengthen the financial foundation of hospitals and ensure they can continue serving their communities for years to come.

Our initial wage proposals also include:

- **Grade increases for more than 40 Service, Technical, and Clerical positions resulting in an average increase of 5.9% for year one.** It also includes a **2% GWI** each subsequent year of the contract.
- **Increase in Float Pool differential.**
- **Increases to Staffing Incentive Program:**
 - RNs: from \$10 to \$14/hour
 - Technical Associates: from \$8 to \$11/hour
 - Clerical and Service Associates: from \$6 to \$9/hour
- Creation of **Nursing Clinical Ladders to recognize professional development and nursing expertise.**

Health Insurance

With health insurance premiums and prescription drug costs continuing to rise by double-digit percentages each year, most employers are looking for ways to control rising premium costs for themselves and their employees.

We're proposing the following changes to maintain high-quality health coverage while keeping costs down for everyone:

- **Increased co-pays for some medical services**, including diagnostic x-rays, **and other services performed outside Catholic Health**, including infusion services, bone density screenings, and colonoscopies.
- **Adjustments to prescription co-pays and preferred pharmacy providers.**
 - First Choice plan members are encouraged to use the **Catholic Health Pharmacy at Sisters Hospital for cost savings.**
By doing so:
 - **Associates on the Comprehensive Plan will maintain their current prescription co-pays.**
 - **Associates on the Hybrid/High Deductible Plan will receive reduced co-pays.**
 - Associates on the Comprehensive Plan may continue using their preferred pharmacy with co-pay increases ranging from \$3 to \$15, depending on drug tier.
 - Associates on the Hybrid/High Deductible Plan who continue to use their preferred pharmacy will maintain their current co-pays.
 - Prescriptions designated as **"Specialty Medications" filled outside the Catholic Health Pharmacy would have co-pay increases ranging from \$10-\$25 for associates on the Comprehensive Plan with no change for associates on the Hybrid/High Deductible Plan.**

The Catholic Health Pharmacy offers:

- **Lower co-pays** for regular and specialty medications.
- **On-site pick-up or free, secure delivery to work or home.**
- **Cost savings** that keep premiums down for everyone.

What's Next for Bargaining?

As both the Hospitals and the Union review each other's economic proposals and prepare to make counter offers in the coming days, we are continuing to reach tentative agreement on many other outstanding non-economic articles.

We are continuing to meet every weekday and are discussing bringing in a federal mediator to reach a final contract agreement as soon as possible.

As our economic discussions continue, we will provide further details on our proposals and answer any questions you may have.

As always, we are committed to providing our associates with fact-based information throughout the negotiation process.

We encourage you to read the information we provide and get your bargaining news from other sources as well, so you can make informed decisions as we move closer to reaching a tentative agreement and contract ratification.

Pension

The Hospitals are **not proposing any substantial changes to the pension plans, contribution rates, or eligibility**. We are proposing updates to the **Plan Funding Ratios** (metrics used to determine annual funding levels). The updates include **Minimum Annual Funding Amounts** ranging from \$28 to \$34 million, depending on plan performance. These changes are technical in nature and do not affect associate contributions or benefits. They are designed to ensure the long-term sustainability of the pension plans.

Staffing

Staffing remains a top priority. The Hospitals will **continue to support Clinical Staffing Committees**, as required by law. We've proposed some changes to meeting frequency and the framework for discussions and decision-making. Most staffing ratios will remain unchanged, with some modest adjustments, both up and down, to a small number of nursing and ancillary positions.

As a reminder, there is a Question Box on our Negotiation website where you can submit your questions anonymously and have them answered in an upcoming Negotiations Update or FAQ.

For the latest bargaining news, visit chsbuffalo.org/negotiations or scan this QR code.

