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GREENLIGHT



Has Kaiser lost its way?

BY JEFF VONKAENEL / jeffv@newsreview.com

I am a Kaiser Permanente patient. After researching my Medicare options at the Office of the Patient Advocate website, I was confident that Kaiser is one of America's best health care systems, especially in terms of practicing integrated care using proven best practices.

I've been happy with my care at Kaiser. Nevertheless, I was curious why a union was planning a Labor Day march to protest the health care chain's policies. So I decided to attend.

In front of 1,000 protesters, Fabrizio Sasso, executive director of the Sacramento Central Labor Council, said: "The rich and the powerful continue to rig the rules to take away our freedom. And Kaiser is no different. They used to be, but not anymore. Kaiser is no different because even though they call themselves nonprofit, they are actually a large corporation whose only mission is to earn massive profits and make top executives disgustingly rich."

Service Employees International Union-United Healthcare Workers West, which represents 83,000 Kaiser employees, says that Kaiser has lost its way. It cites Kaiser's low percentage of Medicaid patients, its \$5.2 billion net revenues in the last six months with reserves of \$37.6 billion, its outsourcing of jobs and its high executive pay.

The Labor Day event, which included a nonviolent protest blocking J Street and the orchestrated arrest of about 50 volunteer activists, was designed to bring media attention to a potential October strike at Kaiser.

It should be noted that other unions representing 49,000 Kaiser employees have already signed labor agreements and did not appear to be involved in the protest.

Kaiser CEO Bernard Tyson responded to the union's concerns with a Labor Day memo. "Kaiser Permanente has always sought to work collaboratively with unions representing our employees.

Today, more than 165,000 of our employees are represented by 16 international unions—divided into 60 locals, consisting of 60 contracts with Kaiser Permanente," the memo said.

"We continue to be known as one of the best employers in the health care industry and one of the most labor-friendly organizations of its kind. We are very motivated to reach an agreement." However, Tyson added, any agreement needs to make economic sense. "We have not lost our way," he insisted.

According to Kaiser's website, it came into being after World War II with support from two unions—the International Longshore and Warehouse Union and the Retail Clerks International Union. Kaiser is more similar to the successful European health care system than the American system. And if we are ever going to have affordable health care in America, it certainly needs to be closer to the model of Kaiser integrated care than to the more expensive Sutter Health model, with higher costs and worse outcomes.

But has Kaiser lost its way?

Until recently, Tyson was receiving \$10 million in annual compensation, more than many CEOs at large for-profit corporations. Now his pay is being increased to \$16 million a year. If Kaiser is outsourcing jobs and cutting costs elsewhere, this sends a mixed message, to say the least.

I suggest this money would be better spent by giving 6,000 workers, who are struggling with increased housing costs, a \$1,000 raise each.

Tyson needs to show us that Kaiser has not lost its way. That starts by looking in the mirror. □

Jeff vonKaenel is the president, CEO and majority owner of the News & Review.