There appears to be misinformation circulating about the current proposals KP has made at the bargaining table. Here are some of the questions we have heard, and factual responses.

**1. Is Kaiser Permanente proposing to take away my pension?**

Absolutely not. We are committed to continuing to provide employees with a secure retirement. **Under KP's proposal, you will remain under the Kaiser Permanente Employees Pension Plan (KPEPP), which is a defined benefit pension plan.** KP’s current proposal for those hired after an agreement will provide for a generous retirement plan in the form of a defined contribution plan, in which KP contributes an amount each year equal to 5% of an employee’s base wages. Employees can control how they wish to invest this money for the future.

**2. Is Kaiser Permanente proposing to take away my retiree health benefits?**

No. Most companies do not provide any retiree medical benefit. In contrast, KP remains committed to providing excellent retiree health benefits. In our proposal, as a current employee, if you retire after January 1, 2016, and are eligible for this benefit, you will have a choice between the same 5-Star rated KP individual Senior Advantage plan that millions of our Medicare members have or a Preferred Provider Option ("PPO") plan. Each of these plans provides supplemental benefits beyond basic Medicare. The Senior Advantage plan gives you the same extensive network of KP physicians, services, and facilities for your care, with prescription drug coverage, no deductible, and options for dental, hearing and extra vision coverage. The PPO option allows you to access a plan that supplements Medicare in areas that KP does not serve or if you should choose not to not get your care at KP.

KP will pay a premium allowance that will increase annually for you and your spouse or partner to use for the cost of the premium for the plan (whether there is a premium, and how much, depends on when and where you retire). Added to that, KP will fund a new retiree Health Reimbursement Account (HRA) which you can use to cover copays or other medical expenses. Future hires who are eligible for this benefit will also have a choice between KP Senior Advantage and a PPO, and will receive an HRA.

**3. Why is KP proposing changes in retiree benefits when the company is doing well financially?**

We are aware of rhetoric about substantial “profits” Kaiser Permanente makes. The facts are different from the rhetoric. As a nonprofit organization, we are required to invest our earnings back into the organization. Having money left over after paying the costs of providing care (known as a "margin") enables us to keep our rates down and deliver high quality affordable care to more people. We use our margin to cover retiree health benefits and pensions of our employees, along with investing in technology, equipment, and facilities to serve members.

The changes we have proposed, and which have been agreed to in some form by most of the unions with which we work, are not about improving our current financial performance. They are about being able to meet our future obligations responsibly and sustainably. Money we earn today must cover the cost of health benefits and pensions for our current employees, and for those already retired. At the same time, from the same earnings, we must also set aside money to provide these benefits for those who retire in the future – including you and other current KP employees.

KP faces the same problem that other companies (and cities, towns, counties, and the federal government) have been facing. The cost of providing retiree benefits continues to go up~~,~~ at a pace that is not sustainable. In fact, recent growth in the cost of benefits has been four times faster than other expenses. We have been addressing this problem with our employee groups since 2012, knowing that if we don’t make changes to help slow down and reduce our future costs, it will threaten the future of KP and our ability to continue to provide these benefits. While many other companies have curtailed such benefits or even eliminated them altogether, KP’s approach has been to make reasonable and responsible changes – changes that have been endorsed by almost every represented group of employees who appreciate the need to protect retiree benefits for our employees.

**4. Will KP’s proposals for schedule management meet our members' mental health needs in a way that is fair to our therapists?**

Yes. Our schedule management proposals create more time for individual therapy visits for our members while maintaining fair and reasonable clinical schedules for therapists. In fact, the expectation for hours spent providing care each week in KP’s proposal is similar to the existing standard and practice of your Southern California mental health clinician colleagues represented by NUHW. The proposal provides for more return time with patients, partly through increased hiring and partly through increased time spent in direct care delivery on the part of our clinicians. Here’s a brief summary of the schedule management proposal:

* A 1:4 ratio of (1) new psychotherapy intake to (4) individual returns. The ratio reduces the number of intakes required of clinicians who provide individual therapy, and provides more time for return visits. This part of our proposal represents a significant commitment on KP’s part to staff departments in order to successfully maintain this ratio.
* More clinical time spent in individual return appointments with patients every week. The proposal is that therapists will spend 75% of their time (30 hours a week for a full-time clinician who provides only individual care) seeing patients in the first year of the agreement and 77 ½% (31 hours) the following year.
* Limits on referral of new patients to our therapists. KP will refer new patients to outside providers when appointments are not available within time frames consistent with appropriate psychiatric care and/or as required by law, or when a 1:4 ratio cannot be maintained, so therapists will have more predictability in their schedules.

Right now, on average, about 60% of a therapist’s time is spent seeing patients (24 hours a week). So while it is true that this proposal would ask that clinicians spend more time seeing patients, the additional time would be spent seeing returns. The fact is that many of you are already meeting the goals of the proposal. If this is the case for you, your practice need not change, except that you will see fewer new patients and have more predictability about the number of new patients you see. In fairness, however, there should not be some who provide significantly more direct care than others—equitable distribution of work is a value that we all share.