



# SCAM SHEET

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## Sutter Snubs Federal Mediator

Earlier this week, Sutter jeopardized progress in contract negotiations with 2,300 employees when it refused a request by a federal mediator aimed at resolving a year-long labor dispute at the healthcare conglomerate. The hospital workers are employed by six Sutter hospitals, each of which has a separate labor contract with Health Care Workers Union SEIU Local 250. The mediator asked Sutter to expedite the bargaining process by conducting negotiations for the six Sutter hospital contracts at a single negotiating table. In an apparent effort to stall negotiations, Sutter rejected the mediator's request and instead insisted that each of its hospitals bargain separately.

Sutter's action was surprising since, days earlier, Sutter consented to an identical request by the federal mediator and bargained with Local 250 at a single negotiating table. The joint bargaining session produced results — Sutter's commitment to accept safe-staffing standards allegedly like those already adopted by other area hospitals. Caregivers were encouraged by Sutter's willingness to negotiate and decided to postpone a planned strike at the six hospitals in order to return to the mediation process.

Days later, Sutter rejected the mediator's request and appeared to return to its prior, obstructionist attitude. "It's unfortunate that Sutter has chosen to reject the reasonable request of the federal mediator and to ignore the good faith gesture of our members in

postponing the strike," said Sal Rosselli, president of Local 250. "The sooner we resolve these negotiations, the sooner we can improve patient care in Sutter hospitals."

In subsequent bargaining sessions at individual hospitals, Sutter appeared to back away from its commitment to match other Bay Area hospitals' safe-staffing systems.

The 2,300 hospital workers in negotiations are Registered Nurses, Licensed Vocational Nurses, Dietary Aides, Certified Nursing Assistants, Respiratory Therapists and other nursing, technical, clerical and support staff. They've been in negotiations with Sutter for more over a year and are currently working without contracts at six hospitals: Alta Bates Medical Center, Summit Medical Center, Sutter Eden Medical Center, Sutter Lakeside Hospital, Sutter Solano Medical Center and California Pacific Medical Center.

"It's obvious Sutter has tons of money because they're buying up hospitals left and right," said Dee Anne Horne, Patient Care Assistant at Alta Bates Hospital in Berkeley. "So why are they wasting all these resources fighting their employees rather than doing what's right for patients?"

## Executive Overcompensation

"How about a salary of half a million dollars a year? And we'll throw in a \$200,000 loan that you'll never have to pay back." Apparently, these are the kinds of conversations that are occurring with increasing frequency among executives at Sutter Health. The health giant's tax returns reveal a growing practice of supplementing the pay of already highly rewarded executives with fully forgivable, personal loans.

During the late 1990s, Sutter's California Pacific Medical Center extended home loans of \$200,000 and \$100,000 to two of its top executives who earned 1999 salaries of \$525,855 and \$398,745, respectively. The terms of the loans are highly favorable, to say the least. The executives are not required to pay any interest on the loans and California Pacific Medical Center agrees to forgive the entire loan amount over a handful of years. For example, the \$100,000 loan is entirely forgiven after three years.

Both executives appear to have done very well for themselves, buying homes in upscale Sausalito within one mile of each other. Property records indicate that the executives paid \$1.3 million and \$800,000 for their homes, each of which has three bedrooms and a two-car garage.

California Pacific Medical Center's generosity towards its top executives stands in sharp contrast to its meager expenditures for care to the uninsured, its unwillingness to improve rock-bottom staffing levels, and its substandard wages for the frontline caregivers and staff who run the hospital on a day-to-day basis. Too bad the hospital's loan officer isn't responsible for other decisions at the hospital.

## *Be a Sutter Tipster!*

Contact the Scam Sheet with inside news and comments at [scamsheet@seiu250.org](mailto:scamsheet@seiu250.org). Also contact us if you'd like copies of documents mentioned in our stories, such as "Sutter's Secret Document" that outlines plans for service cuts and governance changes at Summit Medical Center and Alta Bates Medical Center.

The Sutter Scam Sheet is published by the Health Care Workers Union, Local 250 SEIU, to update elected officials, regulators, District and Community hospitals, industry insiders, consumers, labor unions and other healthcare purchasers about our campaign to Stop the Sutter Scam.

**Local 250 is headquartered in Oakland. Call us at 510.251.1250, Visit our web site [www.seiu250.org](http://www.seiu250.org)**



Unfortunately, This move was disappointing for health care workers on the negotiating committee, who have been trying to improve the quality of patient care and jobs at Sutter.

Caregivers have said they are hoping that Sutter takes a less aggressive and inflexible position in negotiations over the next few days, but are willing to call for another strike if it is necessary to win a voice in improving patient care.















