

Robert Wood Johnson University Hospital – United Steel Workers Strike Update

Volume 1 - July 28, 2023

Overview

- RWJUH nurses are currently the highest paid in NJ, based on publicly available salary data. On July 17th, after several months of good faith negotiations, hospital and union leaders agreed to a new contract that would have made RWJUH nurses even more highly paid than their peers – by more than 14% on average.
- The agreed to terms reflect the values of RWJBarnabas Health. We believe nurses are the face and the heart of our hospitals.
- On July 21st, however, the union membership rejected the contract, even though it was agreed to and recommended by its leaders. We met again with the union leaders on July 23rd, to bargain in good faith.
- It was clear at that meeting that the union did not share our goal of averting a strike. We did not receive any counteroffer in writing or any credible sense of where the union stood, let alone what they would or could agree to. **Further, and most to the point, we have agreed to enter into binding arbitration or submit to a board of inquiry, and the union has refused in both cases.**
- To no surprise, the union advised us on Monday July 24th that our nurses will walk out of the hospital at 7am on August 4th, notwithstanding being offered a fair and generous contract at a time when hospitals nationwide are struggling.
- Over the last 2 days, the hospital CEO and President hosted 4 open forum town hall meetings to hear directly from our workforce. Over 400 nurses have attended these meetings. It is clear there is a great deal of confusion regarding the terms we agreed to with union leadership, particularly with respect to the new and innovative staffing standards the parties jointly developed (**SEE FACTS ABOUT STAFFING BELOW**). This is no surprise in light of the compressed time frame in which union leadership orchestrated the vote and then called for a strike. We will continue to hold town halls until all of our teammates, nurses and others, understand exactly what was agreed to.
- On July 27th we returned to the negotiating table. Union leaders asked for clarifications regarding the staffing standards and other changes to the agreed to MOA. **We once again agreed in good faith to terms** and asked that as part of the negotiated peace that the union withdraw the strike notice pending ratification of the refined terms. This would remove the pressure and create an environment during which the refined terms could be clearly explained to the union membership, which is necessary based on the direct feedback we received during the town halls.
- Pulling the strike notice would also enable us to avoid making a down payment on the replacement workforce in the amount of \$11,744,000. This payment is in addition to the \$6,131,000 already paid. These are millions of dollars that would otherwise be used for patient care, wage increases throughout the rest of the hospital, new equipment, etc.
- Incredibly, union leadership refused to do this. Proposing new terms, but not agreeing to pull the strike notice, **IS NOT GOOD FAITH** and has brought the parties to the brink of strike. The union's conduct is designed to create the appearance of being reasonable in order to justify the union's irrational and insatiable desire to go on strike, no matter the consequences to its members, the rest of our teammates or the community we serve.

- We have agreed to the union's terms, TWICE. The union has pulled back twice. We have offered to enter binding arbitration. The union has refused. We have offered to participate in a Federal Mediation and Conciliation Service board of inquiry. The union has refused. We would agree to any process, where all the facts are known and open to critical examination by independent parties, because at the end of the day we know that we have been generous, reasonable and transparent in attempt to avoid a strike. The union cannot say the same.
- Unfortunately, if the replacement workforce payment is made, because of the economic consequences, there will be an extended strike. The union will have created this outcome.
- The reckless manner in which the union has cast about the threat of strike, using patients and hard-working nurses as pawns, is terribly sad. We come to this moment knowing that we have done everything that could have been done, including, of course, agreeing to enter a very rich contract for our nurses.
- We are prepared. We have activated an extensive contingency plan that puts patient care first by hiring a replacement nursing workforce for an extended period of time, which could exceed 60 days. Hiring replacement nurses for an extended period of time ensures continuity of care. The contingency plan comes a great cost, but it is the right thing to do for our patients.
- RWJBarnabas Health is deeply committed to New Jersey. We are the state's largest provider of charity care and the state's largest provider of care to beneficiaries of the Medicaid program – in each case by two times more than any other health system. As part of the safety net in New Jersey, we have a solemn obligation to ensure that our commitment to the most vulnerable among us not be threatened by work stoppages.
- We are frustrated by this union's approach. RWJBarnabas Health has made significant investments in this campus and our workforce, including a new cancer hospital, increased wages, a new faculty office practice location, state of the art operating rooms and a sterile processing unit, a new ICU and a new management team. Further, the hospital is demonstrating significant improvement in quality, safety and patient experience metrics. Since the beginning of 2022, quality outcomes have significantly improved and our patient satisfaction scores for our doctors and nurses are at the highest levels we have seen in over 5 years. This kind of change does not come easily. It reflects ongoing commitment and engagement by our workforce and the leadership team that supports them.
- We are ready to return to the negotiation table and hope that the union will do the same. It remains our goal to reach an equitable resolution and avert a strike. Unfortunately, it is clear the union does not share the same goal.

Summary of Rejected MOA

- Year 1 wage increase of 7.6% inclusive of the out of cycle increase granted in February. Year 2 and 3 wage increases at 4% per year.
- Under the new agreement, the starting hourly rate for a first-year full-time nurses would be \$45.61 per hour, plus ample overtime, night, weekend and call-in enhancements and opportunities. **For a full-time nurse working 40 hours per week this translates to an annual salary of \$95,000 to \$115,000 depending on shift and BEFORE any overtime pay.**
- **The total year 1 enhancement, when combined with the out of cycle increase and the benefits set forth below, represents an increase of more than 10%.**

- Innovative staffing standards with additional compensation for nurses who work harder if standards are not met.
- Increases in longevity bonus pay for nurses with 10 or more years of service.
- For the fourth year in a row, no increase in health plan contributions for 2024, and a cap on increases in 2025 and 2026.
- Additional retirement plan contributions.
- Increased uniform allowances and parking subsidies.
- Certain part-time nurses qualify for full-time benefits.

Facts About Staffing

- Post-COVID, nurse staffing across the country has been challenging, especially in New Jersey which ranks among the 10 states with the most unfilled registered nurse positions. New Jersey is short 14,000 nurses. Despite that, together we have made important progress in reducing our vacancy and turnover rates to some of the lowest in the country.
- Staffing is our #1 priority today, and it will be our #1 priority tomorrow. RWJUH leadership is committed to staff for both volume and acuity. While work remains, we have made great strides over the last 18 months. In fact, we are doing better than most of our peers.
- **Staffing levels at RWJUH are already among the highest in state, based on available data, and above those outlined within staffing legislation recently proposed in Trenton. In fact, we estimate that staffing the hospital at the ratios proposed in the legislation would result in a reduction of over 170 nurses because our current staffing model considers the high level of acuity at the hospital.**
- **In 2022, the number of nurses at the hospital increased by 100 (net of attrition) and we are on track to exceed this for 2023.**
- **We are recruiting and retaining nurses at a rate that exceeds national averages.** The national average for nurse vacancy is 16%, ours is below 10%.

Facts About the Jointly Developed and Agreed to Staffing Standards

- The blast text from union leadership early in the morning on July 28th, contained a number of inaccurate statements.

falsehood #1 – *“after a period of discussion, the union was presented with the last best and final offer.”*

the truth on #1 – the union proposed new terms that we agreed to, then the union committee pulled back from those terms. We never said the words “best and final.”

falsehood #2 – *“It included Staffing Guidelines with no penalty and not ability to enforce. We felt the acuity was not addressed.”*

the truth on #2 – the clarified staffing standards included the metrics set forth in our CNO’s letter sent on July 26th which clearly take into account acuity. The policy includes additional compensation for nurses covering units where the standards are not met – this is the “penalty” to the hospital and the leverage to drive “enforcement.” The staffing standards would be added to the Collective Bargaining Agreement, and we would be accountable to these standards. Further, the standards create a Collaborative Staffing and Practice Council with **equal representation from the hospital leadership and United Steel Workers nurses**. This Council would address concerns that could not be resolved at the unit level and would be extremely effective in dealing with changes in acuity and volume.

falsehood #3 – *“They wanted the local to rescind the strike notice...and said, “we are done.”*

the truth on #3 – While not an abject falsehood like # 1 and # 2, the statement is at best a major stretch of the truth. We simply requested that the strike notice be pulled, pending ratification, because of (1) the union needs to do a better job in explaining the deal (see above) and (2) the undeniable economic consequences related to the \$11,744,000 payment being made.

We stand by our positions and are prepared to have an independent arbitrator decide – the union is not.

NO FACT SPEAKS MORE PLAINLY TO THE STATE OF PLAY THAN THAT.