



Oregon Nurses Association  
Bargaining Unit Newsletter

June 24, 2015

# St. Charles Medical Center - Bend (STCB) Bargaining Update



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## Special Economic News

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## St. Charles Bend Nurses Bracing for Continued Pay Cuts

St. Charles Health System's (SCHS) financial performance from 2007 through the third quarter of 2014 has been very strong. With a 2.2 percent profit margin throughout those seven years, equating to \$225 million in profit. This is according to the State of Reform health care policy conference. St. Charles has reported an operating margin for 2014 of 8.3 percent. The St. Charles administration has done a very good job of managing our hospital finances to ensure we are profitable and for that we are grateful.

However, nursing is responsible for a huge portion of the labor and clinical expertise, caring for our patients. Nursing is the heart of our business, and at the heart of achieving the SCHS vision of *creating America's healthiest community, together*. We believe it is fair and just to share in the profits of our work and success.

SCHS recently completed building a new cancer center (\$12.9 million), is currently remodeling the Bend facility (\$28 million), building a new facility in Prineville (\$30 million), remodeling the Madras facility (\$16 million), started building a new clinic on the south side of Bend with Taylor Northwest (the owner was recently the SCHS board president), and recently purchased property on the west side of Bend (\$1.6 million), with plans to build a new clinic.

What also needs to be considered when looking at nurses' actual take home pay is

the U.S. Department of Labor's Consumer Price Index (CPI).

The CPI is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. The CPI is calculated by taking price changes for each item in the predetermined basket of goods and averaging them, the goods are weighted according to importance.

***The point is, St. Charles can commit the finances to ensure nurses get a real raise.*** Not a small wage increase that is consumed by an increasing Consumer Price Index (CPI), cost shifting and other differential pay cuts. ***Nurses want to be rewarded for the hard work we do 24 hours a day, seven days a week. Nurses want a raise!***

ONA nurses have clearly taken pay cuts in 2012, 2013 and 2014. Although nurses were provided a 2 percent wage increase for each of those years, the CPI during that time consumed the entire increase and more for all nurses.

In addition, St. Charles took away an additional 1.5 percent of nurse wages in 2013 and 2014 by shifting 5 percent of premium cost for dependents in 2013 to nurses, and shifting 5 percent of premium cost for self in 2014 to nurses. In effect nurses took a pay cut of about 2 percent to 2.5 percent.

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# St. Charles Nurses Bracing for Continued Pay Cuts Continued from page 1

Here are some CPI tables directly from the U.S. Department of Labor:

### West Region CPI:

Year	First Half	Second Half	CPI Annual Average
2007	3.1	3.2	3.2
2008	3.9	3.1	3.5
2009	-0.6	-0.2	-0.4
2010	1.4	0.8	1.1
2011	2.6	3.1	2.8
2012	2.3	2.0	2.2
2013	1.5	1.4	1.5
2014	1.8	1.9	1.9

### Portland-Salem CPI:

Year	First Half	Second Half	CPI Annual Average
2007	3.4	3.9	3.7
2008	3.9	2.7	3.3
2009	-0.2	0.5	0.1
2010	1.6	0.9	1.3
2011	2.6	3.1	2.9
2012	2.5	2.1	2.3
2013	2.2	2.8	2.5
2014	2.6	2.3	2.4

Sadly, it could be shown that nurses at St. Charles in Bend have been receiving pay cuts for years, when the hospital has been financially strong and making millions of dollars. With the current SCHS proposals nurses are set up for more pay cuts in 2015, 2016, and 2017.

**The hospital is offering a 1.5 percent raise at this time. The CPI likely will consume all of the wage increase and more.**

***In addition, the hospital is proposing:***

- Short term disability cost shift of 25 percent to nurses, thus max out at the 9 years rate of 75 percent of total pay for reimbursement.
- Shift differential rate defined by where greater amount of nurses hours fall for their shift. The majority of nurses would assume a pay cut under this proposal.
- Earned Time Off (ETO) accrual rate reductions and elimination of top tier accrual rate. All employees currently in the top tier will fall back to lower accrual tier.
- Evening shift differential to flat rate, a pay cut when looking at the money from a career perspective.
- Night shift differential to flat rate, a pay cut when looking at the money from a career perspective.
- Mandatory call unit callback pay decreased from 1.75 times straight hourly rate of pay to 1.5 times. This impacts hundreds of nurses, and this group of nurses recently took a 0.25 times hourly rate pay cut in 2012.
- Elimination of travel time pay.
- Elimination of 25 percent hospital medical discount

Health Insurance Premiums Caregiver Out of Pocket per Pay Period

		Current 2015		SCHS Proposed 2016		SCHS Proposed 2017		SCHS Proposed 2018		ONA Proposed 2016-2018	
		PPO Plan	CDHP Plan	PPO Plan	CDHP Plan	PPO Plan	CDHP Plan	PPO Plan	CDHP Plan	PPO Plan	CDHP Plan
Full-Time	Caregiver	\$47.63	\$22.30	\$47.63	\$22.30	\$47.63	\$22.30	\$71.45	\$44.60	\$23.82	\$22.30
72-80 hrs	Caregiver + Family	\$184.34	\$119.84	\$184.34	\$119.84	\$218.52	\$152.35	\$242.34	\$174.65	\$150.17	\$119.84
60 – 71 hrs	Caregiver	\$47.63	\$22.30	\$47.63	\$22.30	\$47.63	\$22.30	\$71.45	\$44.60	\$23.82	\$22.30
	Caregiver + Family	\$286.88	\$217.38	\$286.88	\$217.38	\$321.06	\$249.89	\$344.87	\$304.71	\$228.88	\$217.38
48 – 59 hrs	Caregiver	\$166.71	\$133.81	\$166.71	\$133.81	\$166.71	\$133.81	\$190.52	\$156.11	\$142.89	\$133.81
	Caregiver + Family	\$542.67	\$458.94	\$542.67	\$458.94	\$576.84	\$491.45	\$600.66	\$513.75	\$347.96	\$458.94
40 – 47 hrs	Caregiver	\$214.34	\$178.41	\$214.34	\$178.41	\$214.34	\$178.41	\$238.16	\$200.71	\$190.52	\$178.41
	Caregiver + Family	\$590.30	\$503.54	\$590.30	\$503.54	\$624.48	\$536.05	\$648.29	\$558.35	\$463.95	\$503.54

Calculations Based Off 2015 Cost of Premiums  
 Caregiver \$476.31 \$446.02  
 Caregiver + Family \$1,159.87 \$1,096.28

Calculations do not reflect possible increases in premiums

Increase in Premiums per Pay Period Throughout length of Contract based on current rates

		PPO Plan	CDHP Plan
Full-Time	Caregiver	\$23.82	\$22.30
	Caregiver + Family	\$57.99	\$54.81

Proposed wage increase step 7			\$40.69
	Yr 2015	Yr 2016	Yr 2017
SCHS 1.5%	\$0.61	\$0.62	\$0.63
ONA 5%	\$2.03	\$2.14	\$2.24
Increase \$ to check per pay period at SCHS proposal			
Full-Time	43.92 – 48.8	44.64 – 49.6	45.36 – 50.4
60-71 hrs	36.6 – 43.31	37.2 – 44.02	37.8 – 44.73
48-59 hrs	29.28 – 35.99	29.76 – 36.58	30.24 – 37.17
40-47 hrs	24.4 – 28.67	24.8 – 29.14	25.2 – 29.61