Nurse Bargaining: Medical Benefits and Compensation

Bargaining between UC and the California Nurses Association (CNA) continued last week, with medical benefits and health insurance costs being a central topic of the discussions.

Maintaining good health insurance for employees, and fair cost-sharing, in the face of escalating costs

- Like employers nationwide, UC continues to see its medical insurance costs rise substantially, which means that both UC and its employees will be paying more for health insurance.
- Total premium costs for UC in 2011 increased by approximately $67 million over 2010 costs, with UC now paying more than $1 billion for employee health benefits.
- The parties discussed several options for maintaining competitive medical benefits and sharing cost increases, with the following key features:
  - UC will continue its progressive salary-based approach to health insurance whereby lower-paid employees pay lower monthly premiums than other employees.
  - UC will continue to shoulder the bulk of health insurance costs, paying on average over 80% of the premiums.
  - As a general rule, increases in nurses' monthly premium costs—regardless of salary level—would be substantially less than 1% of nurses' annual salaries.
  - UC will continue to offer nurses medical benefits packages that are at least as generous as those offered to other non-represented staff.
- In addition, UC looked at salary levels and the most popular types of health insurance coverage among UC nurses.
  - Over 60% of UC nurses are in a group whose salaries would average more than $116,000 per year in 2012 under UC's current wage proposal.
  - For nurses in this group who are enrolled in UC's Health Net Blue & Gold employee-only plan, increases in monthly employee contributions for 2012 would be limited to $56/month pre-tax (approximately $41/month post-tax), an increase equivalent to 0.43% of average annual salary (or 43 cents out of every $100). *(Note: UC has also agreed that increases for this group would be subject to negotiation should increases exceed $56/month for 2012).*

UC also proposes pension contributions

- UC also proposed that nurses, like other UC staff, increase pension contributions by 1.5% in July, 2011 and again in July, 2012.

Total compensation for UC nurses remains competitive

It is important to view UC's proposals within the context of the total compensation package for UC nurses.

- Consistent with UC’s commitment to maintain competitive wages and benefits for nurses, UC has already proposed a combination of step and range increases, resulting in total wage increases of about 15% at UC Davis over a four-year contract.
- Under UC’s proposal, wages for nurses at UC medical centers will remain market-competitive over the next four years. These proposed increases are in addition to salary increases of up to 10 percent that UC nurses have received since the beginning of 2009.

We will keep nurses updated with regular updates and additional information available at [www.UCNurses.com](http://www.UCNurses.com).