COALITION OF KAISER PERMANENTE UNIONS

FOR IMMEDIATE RELEASE
Aug. 9, 2019

CONTACT: Sean Wherley, (323) 893-6831
swherley@seiu-uhw.org

Kaiser Permanente's Profits Soar to Record Level with Release of 2nd-Quarter Earnings

Kaiser Claims Its Employees Make Too Much Even as It Rakes in $5.2 Billion in First Half of 2019

OAKLAND, Calif. – Just days after complaining that $44,000-per-year workers who are among 80,000 Kaiser Permanente employees preparing for a national unfair labor practice strike are paid too much, "non-profit" Kaiser Permanente released its 2nd-quarter earnings showing record profits totaling $5.2 billion for the year.

Kaiser Permanente gets huge tax breaks as a non-profit, meaning that at the same time it is taking in billions in profits it pays no income taxes and virtually no taxes to support schools, parks, roads, bridges, police, fire and other important community needs.

"Kaiser Permanente is sucking billions from our communities at the same time it pays at least 36 executives a million dollars a year, its CEO $16 million a year, and sits on more than $35 billion in reserves," said Maria Aguilar, a housekeeper at Kaiser Permanente in Los Angeles. "Then, in response to our upcoming unfair labor practice strike, the corporation says publicly that Kaiser housekeepers making $44,000 a year to clean and sanitize a hospital make too much. Something is way out of whack."

The corporation recently released its second quarter profits for 2019 – totaling $2 billion – which combined with its first quarter figure, makes the first *six months* of 2019 more profitable than any previous *12-month* period in Kaiser Permanente's history. It has recorded more than $5.2 billion in profits since Jan. 1, 2019 – whereas its previous record for *annual* profits was $3.9 billion in 2017. And, since Jan. 1, 2017, it has hauled in profits of more than $11 billion.

Under Kaiser Permanente's 'non-profit' status, it avoided paying federal and state income taxes of an estimated $2.3 billion over the last two years in addition to huge property tax breaks from the municipalities and counties where it operates.

Meanwhile, Kaiser Permanente underserves low-income people and raised premiums for many of its patients. Whereas 21 percent of low-income Americans receive their healthcare through Medicaid, just 8 percent of Kaiser's in-patients are on Medicaid. At the same time, Kaiser's individual market rates for insurance increased as much as 13.5 percent this year.

Kaiser Permanente's labor relations have cratered in the last couple of years. It has committed numerous unfair labor practices, while undercutting the largest and most successful labor-management partnership in the country, after years of using it to build morale and improve care; it is outsourcing long-time employees to companies that pay less and offer few if any benefits; and it wants to reduce pay increases for frontline hospital workers and undercut their health benefits and job security.

More than 80,000 Kaiser Permanente workers are preparing for an unfair labor practice national strike to begin this fall as contract talks between them and the corporation broke off July 12 without an agreement. Their contract expired Sept. 30, 2018, and the National Labor Relations Board has issued a complaint against the company for failing to bargain in good faith.

# # # # #

The Coalition of Kaiser Permanente Unions comprises 11 labor unions in California, Oregon, Washington, Colorado, Hawaii, Virginia, Maryland and the District of Columbia, representing more than 80,000 Kaiser caregivers. To learn more, visit www.KaiserKeepThriveAlive.com