



Dimensions Healthcare System

DATE: January 15, 2014
TO: Dimensions Healthcare System Employees
FROM: John F. Peeples
Senior Vice President, Human Resources
RE: Contract Negotiations Update I

In early 2013, Dimensions Healthcare System (DHS) management began negotiations with 1199SEIU United Healthcare Workers East, the union that represents approximately 800 DHS nurses and approximately 1,200 DHS service and maintenance employees. In 2014, the negotiations have continued and we have already met with the union for three days this month.

You should know that bargaining is a give-and-take process, and the current contracts are the starting point for negotiations. During negotiations, each party makes requests or suggestions called proposals about how to change the existing collective bargaining agreement. The other party can accept, reject or seek to change the proposal through a counter-proposal.

During the most recent round of bargaining, DHS presented the union with a comprehensive set of proposals. We are committed to bargaining in good faith, and our proposals reflect the changes we need to make to ensure our organization's future success.

Our current reality is that we face some steep challenges. Implementation of federal health reform, declining payer reimbursements, rising employee benefit costs and a competitive market are just a few of the difficulties we must successfully navigate. DHS will work with the union to find creative solutions to complex issues we face now and in the years ahead, and we hope the union is willing to join us in this commitment.

The union, however, has rejected the vast majority of DHS' proposals and offered few counter proposals. Although the two sides continue to be far apart, both parties will continue to exchange requested information leading up to the next scheduled negotiation dates on January 22 and 27. It is unclear how long it will take to complete negotiations.

We are confident that we will negotiate a contract that balances the needs of all parties and will be consistent with our organizational philosophy and goals. We remain committed to constructive talks with 1199SEIU to help DHS meet and expand its promise of safe, quality care to the community we serve.

Thank you.