

Southern California CKPU-Represented Employees to Receive One-Time Special Award

A message from Jerry McCall, interim president, KPSC, and Ed Ellison, MD, executive medical director, SCPMG, announcing a one-time special award for qualifying Southern California employees represented by the Coalition of Kaiser Permanente Unions:

2015 was an extraordinary year for Kaiser Permanente Southern California, as we welcomed more than 280,000 new members to our health care organization. Because of your tremendous efforts and those of our excellent physicians, we were able to continue delivering high quality care and services to our members during this unprecedented growth.

Late last year, the region's leadership became aware that while we were meeting most of our service and quality objectives, we were not going to meet our financial objectives. If this occurred, the rules governing the Performance Sharing Program that were agreed to by management and the Coalition of Kaiser Permanente Unions (CKPU) would not allow a payout to Coalition-represented employees under that program. At that time we began to think about alternatives that would reflect our deep appreciation for the commitment, dedication, and performance achievements of our Coalition-represented employees. To that end, we also engaged in discussions with our Southern California CKPU leaders.

Unfortunately, our region missed its 2015 budget goal by \$124 million. Therefore, the financial "gate" did not open to fund a payout pool for the Performance Sharing, Variable Pay and Line of Sight (PSP/VPP and LOS) incentive programs.

After careful consideration and evaluation of many factors, we are pleased to announce that the Southern California Region will provide a special one-time award for qualifying employees who are represented by the CKPU. This award is not being provided as a replacement for the PSP/VPP and LOS annual incentives. This is a demonstration of appreciation and respect for our Coalition-represented employees' dedicated work in 2015 that resulted in meeting many of last year's quality and service objectives and contributed to our affordability mission.

The minimum award to qualifying CKPU-represented employees will be \$250, and the maximum award is \$900. To ensure fairness in distributing these special awards, the payout amounts are based on the number of eligible hours worked in 2015 (see grid below). To qualify for a payout, employees must have been on the Southern California Region payroll at the end of the 2015 plan year. It is anticipated the award will be included in the pay that represented employees receive on April 29, 2016.

2015 Eligible Hours Worked Award Amount

Less than 500	\$250
500 to 1,799	\$500
1800 or more	\$900

We deeply appreciate each employee and physician for their ongoing dedication to our mission of high-quality, affordable care and service for all of our members and the communities we serve. As we move forward in 2016, we need to continue our focus on delivering high-quality, personalized health care that is also affordable. This work will help us eliminate health care disparities and provide our patients and members the care they need to live longer, more productive, and happier lives.

Each of us plays a critical role in advancing the improvement of all aspects of this great health care organization, from direct care to the many important operational and administrative support functions. By working together we can enhance our performance in meeting our quality, service, and affordability objectives. This will allow us to continue as a best place to receive health care, and to offer the competitive wages and benefits that contribute to producing a best place to work in health care.

Thank you for your passion and focus on our members' best health.