

Michael S. Ramseier
President of Kaiser Permanente Colorado
C/O
Deborah McMillen
Senior Executive Assistant
Denver Regional Offices by East
10350 E. Dakota Ave.
Denver, CO 80247

Dear Mr. Ramseier,

We are writing as elected leaders of Denver on behalf of government employees who have the option of choosing Kaiser as their health plan. We are concerned by reports of the deterioration of the Labor/Management Partnership, including Unfair Labor Practice complaints against Kaiser by the NLRB, outsourcing of quality middle class jobs and Kaiser's insistence on reductions in raises and benefits in its negotiations with SEIU Local 105 despite record profits, reserves and executive compensation packages.

As part of our education efforts, we would like to hear Kaiser's perspective on the following questions:

- Can our government employees insured by Kaiser expect an impact due to work stoppages and the current labor relations?
- What will be the impact of labor disruptions for the quality of patient care, sanitary standards, scheduling of procedures, unexpected cancellations, wait times, etc.?
- Given the increase in outsourcing of work formerly done by Kaiser employees, how will members be assured they will be cared for and the facilities they visit will be maintained by people who are directly accountable to Kaiser?

Kaiser has been in the news recently: \$21.4 billion in 2019 in combined operating revenues as of the second quarter with a record 231% increase (\$2 billion) in net income when compared to the second quarter of 2018, for a total of \$5.2 billion in the first six months of 2019, which actually led Kaiser Executive VP and CFO, Kathy Lancaster, to say that these results "allows us to make strategic investments in technology, people and care facilities"; \$16 million 2017 CEO compensation package (a 60% raise over 2016), \$35 billion in reserves, the intention to spend \$900 million on a new corporate headquarters, and a \$290 million promotion arrangement with a sports team. All this while Kaiser executives are demanding employees take responsibility for reducing costs by taking lower raises and benefit cuts (including divisive two-tier plans that are anathema to the labor movement and a well-worn prelude to downgrading pay and benefits for all workers). These facts are hard to swallow for the average working person, at this time of record income inequality, let alone elected officials who are leading the fight against that inequality.

We have always worked with Kaiser through service and cost challenges because of the company's progressive labor relations and values. It is difficult for us as elected leaders to

recommend Kaiser as a health plan to our government employees given this current dynamic of income inequality at the top coupled with demands for workforce cuts.

We sincerely hope that Kaiser will find its way back to the values that made it the health plan of choice for the progressive community. Until then, we will stand with Kaiser employees and educate our members about their struggle to protect quality patient care and good jobs in our communities.

Sincerely,



Council President Jolon Clark
Denver City Council



Council President Pro-Tem Stacie Gilmore



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Deborah "Debbie" Ortega
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