

Eastern Kentucky hospital workers authorize strike

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Some 2,200 workers at Appalachian Regional Healthcare (ARH) hospitals throughout eastern Kentucky and southern West Virginia issued an intent to strike on March 20.

The workers—who include maintenance workers, service workers, licensed practical nurses, and clerical and technical workers—could walk out on April 1 after their current contract expires March 31. Representatives for the hospital and the union are scheduled to meet for another round of negotiations Monday.

ARH is a not-for-profit hospital system established in 1956 by the United Mine Workers union to serve more-remote mining towns of eastern Kentucky and southern West Virginia. The system serves some 350,000 people at 10 hospitals and is the single largest employer in the coalfields region.

Negotiations have been ongoing since late January. The employees, organized under the United Steelworkers union (USW), have rejected ARH's plan to increase health insurance premiums.

USW representative Roger McGinnis, who was involved in the negotiations with the hospital system, told the *Harlan Daily Enterprise*, "Some people's medical plans will actually double. Co-pays that were never there before are in this package. Spousal surcharges will range as high as \$1,500 to \$2,000 more on the year." ARH officials have characterized the increase as "minimal."

"The company also wants to reopen negotiations if there is an increase in the federal minimum wage," McGinnis added. "So basically they want to distribute any type of increase on minimum wage to the other employees."

The USW has asked for a 17.5 percent wage increase in wages for the low-wage workers in the system. ARH

has offered a bonus of a mere \$500, to be paid in two installments.

"We are proposing fair, competitive, and sustainable wages and benefits," ARH president and CEO Jerry Haynes declared in a letter to employees, adding that "changes are necessary in order to keep ARH viable and sustainable in a time when companies in our service area have been forced to lay off workers or close their doors."

The hospital chain is also seeking to reduce its expenses for temporary disability. ARH has insisted on a "cost-sharing voluntary plan for temporary disability" and "medical benefit payments consistent with non-union employees and employees represented by the Southern United Nurses," according to the *Hazard Herald*.

According to the *Harlan Daily Enterprise*, the USW and ARH have agreed to place a limit on sick leave of 160 hours. The company said, "In general, it will take an employee two and a half years to reach this new cap."

The points of contention between the union and the hospital highlight the poverty wages that many of the workers are currently paid.

On October 1, 2007, ARH workers, including more than 600 of the hospital system's 700 registered nurses, walked out on a month-long strike over wages and working conditions. Mandatory overtime and chronic understaffing that endangered patients and led to high burnout rates among the staff were the main issues in the strike.

The hospital quickly hired replacement workers after opening up a hotline for applicants. According to news reports at the time, ARH received 10,000 job applications per day.

Picketing workers were also subjected to intimidation

and violence by the hospital administration. ARH hired security guards to police and record video of strikers, and the car of a union representative was set on fire.

Appalachia is one of the poorest regions of the country. In the eight eastern Kentucky counties ARH serves—Harlan, Perry, Leslie, Floyd, Bell, Letcher, Pike, and Morgan—unemployment is in the double digits and more than one quarter of residents live below the official poverty line.

Some 25,000 of ARH’s Kentucky patients are Medicaid recipients. A significant source of financial pressure on the health care system is the dismal reimbursement rate to hospitals for Medicaid patient care, and the maze of red tape and paperwork health care providers must navigate in order to receive payments from the state.

After the state privatized management of Medicaid to insurance company CoventryCares in 2011, ARH was reclassified as a “non-contracted provider.” This change resulted in a steep decline in reimbursements and left patients driving hundreds of miles to seek out medical care. Federal and state-level budget cuts will exacerbate the problem over the coming months.



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