A Report on Workplace Issues Effecting More than 8,000 Employees of Catholic Health, Buffalo, New York

Breaking Faith

How Catholic Health Executives Abandon Catholic Social Teachings

By the Western New York Workers’ Rights Board

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Lynn White testifies at WRB hearing.
Executive Summary

The people working within the Catholic Health (CH) of the Diocese of Buffalo for decades sought the justice lifted up by the world’s Bishops in 1971.

Beginning with initial organizing efforts in the 1980’s, employees have faced a veritable wall of unethical, sometimes illegal, responses from their Catholic employer. Union members have tried it all: efforts at collaborative problem-solving; attempts to utilize contract negotiations to address concerns; simple requests for information and attempts to deliver information to fellow employees; and numerous filings with the National Labor Relations Board (NLRB) and Occupational Safety and Health Administration (OSHA).

The situation remains frustrating and seemingly intractable, as employee testimony shows and as Lance Compa describes in his foreword: “a distressing pattern of disrespect for employees’ right to union representation and lack of adherence to Church teachings on trade unions and international standards on freedom of association.”

Accordingly, CH workers turned to the Coalition for Economic Justice and its Workers’ Rights Board for an opportunity to testify about current CH employment practices. A hearing was held June 2, 2015, at the Woodside Community Chapel in Buffalo, facilitated by an independent board of local and national leaders from community, academic, and religious organizations.

The purposes of the hearing were to receive direct testimony from CH employees, to evaluate and analyze the testimony, and to offer recommendations with potential solutions. Dr. Fred Hyde, Mailman School of Public Health at Columbia University, presented detailed information and conclusions following his extensive study of the financial practices that govern CH operations:

1. CH has accumulated on-hand “cash hoard” of more than $322 million, three times the size enjoyed by its local rival, Kaleida Health.

2. CH provides annual compensation increases ranging from 15% to 17% for top executives, including an Executive Compensation Bonus System based not on patient care outcomes but on increased profits, resulting from reducing compensation to hospital employees.

3. CH’s charitable outreach amounts to less than half the charitable outreach donated by Kaleida Health (6% vs. 13%) and less than half the average amount of all hospitals in the U.S.

4. CH does all this while enjoying the lucrative benefits of tax-exempt status.

Extensive testimony from CH employees at the hearing addressed:

**Effects of Cost-Cutting, including:**

1. Short-staffing, from maintenance to Registered Nurses with potentially negative impact on patient care.

2. Failure to follow health and safety regulations, resulting in formal OSHA charges by employees.

3. Inadequate supplies of needed items for the care of CH Nursing Home patients.

**Effects of Management Abuse, including:**

1. Unjust firings and other disciplinary actions against employees, involving some who were experiencing health crises, including firing a Mammography Technologist with 23 years experience for her urgent illness-based restroom stop, with their dubious rationale of her having used a substitute sign-in person, someone never identified or punished.

“While the Church is bound to give witness to justice, she recognizes that anyone who ventures to speak to people must first be just in their eyes.”

– Justice in The World Synod of Bishops, 1971
2. A written reprimand of an RN for a computer glitch over which she had no control, for which she tried to secure help, and despite detailed explanations from the technical help desk establishing the fault lay entirely with the computer system. The reprimand kept her from a day-shift assignment, needed because of her health issues and because of her responsibilities as a single mother of five.

3. Orders from CH Human Resources to Mercy Hospital employees to cease distributing literature to CWA members in the non-patient care areas, in direct violation of federal labor law and of an agreement between Mercy Hospital and CWA facilitated by the Buffalo regional office of the NLRB in 1994.

**Effects of Labor Policies, including:**

1. A 35-year history of hospital management refusing all overtures of working collaboratively, a procedure used repeatedly at Kaleida Health to develop effective strategies and policies, including the critical NYS “Safe Patient Handling Act,” which benefits staff, patients and citizens throughout the state. When representatives of CWA suggested forming a joint committee to improve patient care at Catholic Health, a key CH Human Resources official stated, “We have no desire to have a relationship with the union.”

2. A developing policy of shifting grievance procedures away from immediate supervisors with the direct knowledge of the issues at hand, to the top level, human resources. This action wastes time, and undermines existing contract provisions that provide a four-step grievance procedure.

3. Firing a 15-year Nuclear Medicine Technician at Kenmore Mercy Hospital, who had been reduced to per-diem status while actually working nearly full-time. When CH refused his request to be allowed to pick up hours at another facility, he requested return to full-time status at KMH. The hospital, having invested in his professional training, summarily fired him.

The detailed research, direct evidence and personal experiences of the CH employees who testified before the Workers’ Rights Board established a disturbing picture of the Catholic Health that appears to have abrogated its core responsibility as stated by the US Catholic Conference of Bishops:

> “All the moral principles that govern the just operation of any economic endeavor apply to the Church and its agencies and institution; indeed the Church should be exemplary.”
> – Economic Justice for All, (#347), 1986

Moreover, this testimony led the hearing officers to ask what Dr. Hyde calls “the big question.” As a major employer, as the beneficiary of tax exemption, and as the recipient of extensive support through the Medicare and Medicaid programs, does the Catholic Health System:

- Fulfill its community responsibilities?
- Treat all its workers justly?
- Follow Papal and Conciliar teachings that for more than a century have affirmed and advanced the rights of workers and their unions?

It is the intention of this Workers’ Rights Board to address these questions.

*Hearing officers from left to right: Joan Malone, Fred Feinstein, Dr. Howard Stanger, Sr. Judith Justinger, Rev. Merle Showers, Rev. Kirk Laubeinstein. Anna Falicov, moderator.*
Employees’ testimonies at the June 2, 2015 Workers’ Rights Board hearing and this report tell a troubling story of a Catholic employer’s apparent failure to adhere to social teachings of the Church and to international human rights standards on workers’ freedom of association.

Church teachings and human rights standards set forth universal norms on workers’ rights which Catholic employers should respect. This obligation adheres above and beyond legal technicalities contained in statutory labor law. An employer that aspires to best practices should not be content with meeting minimum legal requirements. It should affirmatively strive to meet higher standards based on Catholic values and international human rights principles. Here are key elements of Church teachings:

- “Trade Unions are "a positive influence for social order and solidarity...to defend the vital interests of workers...relations within the world of work must be marked by cooperation..."  
- “Trade Unions...serve the development of an authentic culture of work and helps workers to share in a fully human way in the life of their place of employment.”  
  – Pope John Paul II, Centesimus Annus (1992)
- "Among the basic rights of the human person must be counted the right of freely founding labor Unions. These Unions should be truly able to represent the workers and to contribute to the proper arrangement of economic life. Another such right is that of taking part freely in the activity of these Unions without fear of reprisal.”  

International human rights standards hold that:

- Everyone has the right to form and to join trade Unions for the protection of his interests.  
  -- Universal Declaration of Human Rights, 1948
- Both employers and trade Unions should bargain in good faith and make every effort to reach an agreement; moreover genuine and constructive negotiations are a necessary component to establish and maintain a relationship of confidence between the parties.  
  – ILO Committee on Freedom of Association, 2006
- An unduly or excessively legalistic attitude and the development of harmonious labor relations are incompatible, and indeed conflict, with each other...satisfactory labor relations depend primarily on the attitudes of the parties towards each other and on their mutual confidence  
- Trade Union representatives should have access to workplaces, with due respect for the rights of property and management, so that they can communicate with workers.  

The ILO was founded in 1919, in the wake of a destructive war, to pursue a vision based on the premise that universal, lasting peace can be established only if it is based on social justice. The ILO became the first specialized agency of the UN in 1946.

The unique tripartite structure of the ILO gives an equal voice to workers, employers and governments to ensure that the views of the social partners are closely reflected in labor standards and in shaping policies and programs.

The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.

Compare these principles to what CH employees say about their employer’s approach to labor relations. CH
workers told of management’s disdain for workers’ chosen representatives, legalistic gamesmanship instead of front-line dialogue and problem-solving, interference with communication between Unions and their members, and focus on a single bottom line of profitability rather than multiple bottom lines of employee welfare, community service, and devoted patient care. Especially painful is Cori Gambini’s testimony that top management officials stated flatly to her and other Union representatives, “We have no desire to have a relationship with the Union.”

These testimonies present a distressing pattern of disrespect for employees’ right to Union representation and lack of adherence to Church teachings on trade Unions and international standards on freedom of association. One hopes that CH management has the capacity to re think this approach to labor relations. A sincere consideration of concerns raised by CH employees at the June 2 hearing should transform the negative pattern into a positive, mutually beneficial collective bargaining relationship marked by respect for the Union’s representational role and the dignity of Union leaders and Union members.

*Lance Compa is an internationally recognized legal expert on workers’ freedom of association, right to organize, and right to collective bargaining. A graduate of McQuaid Jesuit High School and Fordham College, he is the author of the Human Rights Watch report Unfair Advantage: Workers’ Freedom of Association in the United States under International Human rights Standards.*
Catholic Health (CH) of Buffalo, N.Y., formed in 1998 under four religious sponsors, is a non-profit healthcare system that provides care to the people of Western New York. As such, its activities and operations fall within the mandated scope of the above document formally published by the US Catholic Conference of Bishops. Additionally, while the CH Mission Statement indicates that “We dedicate ourselves to treat all people with respect, dignity and fairness,” employees within the system present an employment picture alleging a profound lack of respect, dignity and fairness.

(Sie Appendix B: Catholic Health Mission Statement.)

In truth, it seems anti-union sentiment from CH and its affiliate hospitals and nursing homes has existed since the earliest days of organizing within the facilities. Early anti-union efforts included the wheeling of elderly Sisters of Mercy to Mercy Hospital, as they cried and begged the employees to vote “no” during the union election in the early 1990’s. At Our Lady of Victory Hospital, the administration showed a film to all nurses, indicating that if they joined the union, they would have to learn how to throw themselves in front of cars when they were on the picket line and then slash tires while they were on the ground (late 1980’s).

In the decades since, CH’s tactics have become more sophisticated, but the fundamental drive to weaken or eliminate the unions seems to have remained strong as evidenced by the testimony presented in this report. Employees maintained they are faced with, among others, arbitrary decisions, violations of contract language, lack of basic compassion, and rejection of any and all offers of collaboration.

For this reason, CH employees formally requested that the Coalition for Economic Justice (CEJ) convene a Workers’ Rights Board (WRB) hearing to receive testimony and offer recommendations relative to CH-employee relationships.

The Workers’ Rights Board, created and first utilized in 1995, is comprised of prominent local and national community, academic and religious leaders. The local board was comprised of:

Fred Feinstein  
Former General Counsel, National Labor Relations Board

Sister Judith Justinger, SSJ  
Leadership Team, Sisters of St. Joseph, Buffalo, NY

Rev. Kirk Laubenstein  
Executive Director, Coalition for Economic Justice

Joan Malone  
Ex. Director, Coalition for Economic Justice (retired)  
Secretary, Living Wage Commission, City of Buffalo
**Rev. Merle Showers**  
*United Methodist Minister (retired)*  
*Chair, Living Wage Commission, City of Buffalo*

**Howard R. Stanger, Ph.D.**  
*Professor of Management, Weble School of Business*  
*Canisius College, Buffalo, NY*

**NOTE:** On three occasions in late May, Rev. Kirk Laubenstein, CEJ Executive Director, contacted the office of CH CEO Joseph McDonald, informing him that CEJ was convening a Workers’ Rights Board to gather testimony on alleged worker abuse. Rev. Laubenstein requested a meeting with Mr. McDonald and/or his management team in order to include their point of view in this report. His request was declined.  
*(See appendix C: Letter to CEO Joseph McDonald)*

Board members bring experience and expertise in their respected fields

- to receive and analyze testimony as offered by workers.
- to offer specific recommendations where appropriate.
- to publicize to the larger community both the results of the hearing and the recommendations to redress issues identified by employees and others who testified.

The WRB provides a moral ground for economic issues upon which justice for working men and women rests. Within this context is the shared understanding that CH may well be viewed as a valuable but unnecessarily flawed community resource. It is precisely because CH is so critically important to the larger community that the WRB works diligently to identify employer actions alleged to be especially grievous and to offer recommendations to redress them.

Accordingly, on June 2, 2015, at Woodside Community Chapel, 675 Abbott Road, Buffalo, the Workers’ Rights Board of CEJ conducted a formal hearing to investigate workplace conditions within Catholic Health of Buffalo.

The WRB first received testimony from Dr. Fred Hyde, Clinical Professor, Mailman School of Public Health, Columbia University. His published study, *Cash Rich, Responsibility Poor: Catholic Health System’s Financial Strengths and Weakness*, provides a detailed, data-driven analysis of the financial treatment of employees at CH hospitals as compared both to Kaleida Health and industry standards.

The detailed financial picture establishes the background against which to evaluate testimony from CH employees. Their testimony fell within three categories:

1. **Effects of Cost-Cutting.**
2. **Effects of Management Abuse.**
3. **Effects of Labor Policies.**

The report concludes with detailed recommendations that are designed to encourage a collaborative labor—management relationship, eliminate the alleged injustices about which the employees had testified, and improve the delivery of health services to our community.
The numbers provided by Dr. Hyde bear a closer look. CHS’s profitability has increased some $140 million from 2011 to 2014, while Kaleida’s increase during that same period was $80 million. CHS, while smaller than Kaleida, had cash on hand of $322,435,000 at the end of December, 2014, or three times the cash on hand of Kaleida. Even New York Presbyterian Hospital, the second largest system in New York State, and four times larger than Catholic Health, had cash on hand of only $210 million.

“In summary, (1) Kaleida spends more of its cash on operations, namely the delivery of patient services, and (2) more on buildings and equipment, while (3) CHS hoards cash, the result of little growth overall in salaries and benefits.”

– Cash Rich, p. 3.

Benefit to the larger community, hospitals receive extraordinary benefits: property, tax and sales tax exemption; capacity to confer deductibility on donations; and favored interest rates associated with long-term tax-exempt bonds. The provision of community benefit should be seen, therefore, as a social bargain between hospitals receiving state and federal financial benefits and the larger community they serve.

Examination of relevant tax returns offers a perhaps surprising comparison between CHS, a religious, not for profit, and Kaleida, a private, not for profit. Specifically:
• For the three CHS hospitals (St. Joseph Campus, Kenmore Mercy and South Buffalo Mercy) from 2011 to 2014, charity care averaged 6% of total expenses, ranging from a low of 4.59% to a high of 8.45%.

• For Kaleida, charity care for the same time period was 13.35% of total expenses.

• For purposes of comparison, the national average for community benefit is 12%.

Lastly, the issue of executive compensation at Catholic Health provides critical insight into financial policies benefitting top management in a manner that Workers’ Rights Board members deemed “obscene.” In examining the six-year period (2008 - 2013), Dr. Hyde noted that Mr. Joseph McDonald, Chief Executive, Catholic Health System, received an increase in total compensation from $872,000 per year to $1.7 million per year, indicating an average annual compensation increase of 15% per year. Mr. Michael Moley, CH Vice-President of Human Resources, received an average increase of 17% per year. This is in sharp contrast to compensation received by CHS workers which averaged some 4% per year, but actually declined to 0.6% in the most recent year (2013).

Importantly, according to CHS IRS 990 form, total compensation for Catholic Health executives includes bonuses tied to the “Catholic Health Operating Income Target.” This is not the norm for non-profit hospitals and is particularly inappropriate basis for the Vice-President of Human Resources, who is able to impact net income only by extracting concessions that, in this case, appear unnecessary. Mr. Moley’s net income bonus for 2013, the last year reported, was $151,752. His total compensation for that year was $668,122.

“The sponsors of Catholic Health, including the Diocese of Buffalo, approved an incentive plan achieved by reducing compensation to hospital employees.”

In summary, Catholic Health:

a. Maintains what Dr. Hyde describes as on-hand “cash hoard” of more than $322 million, three times the size enjoyed by Kaleida.

b. Donates less than half the amount of charitable outreach (6% vs. 13%) as does Kaleida.

c. Provides annual compensation increases ranging from 15% to 17% for top executives, including bonuses based on an incentive plan achieved by reducing compensation to hospital employees.

NOTES:

For an updated financial analysis see Appendix C.

The cost-cutting and drive to maximize profits outlined in detail in Dr. Hyde’s analysis was illustrated repeatedly in testimony offered by CH employees. Hearing officers first received testimony regarding the detrimental effects of such policies on maintenance within the hospital.

Martin Burchalewski, representing the Stationary Engineers and Skilled Maintenance, worked at Mercy Hospital for 22 years. He outlined the results of CH’s policy shift to fewer employees with more work within the hospital complex. He noted that his department, charged with maintaining the entire hospital plant, downsized from 44 positions to 27 positions, while the physical footprint of the hospital increased.

As an illustration of the shortsightedness that occurred when an employee was fired as a money-saving move only to have CH incur significant costs resulting from his absence, Mr. Burchalewski cited the example of their former “storekeeper position.” He had overseen the ordering, logging and maintaining of all replacement parts used throughout the hospital. Presently, with the elimination of that position, all maintenance staff are required to order, track and maintain all replacement parts for their individual use. This has resulted in taking time away from his members’ ability to maintain hospital facilities. Equally important, parts are not always available when needed. A recent example was a lack of repair kits for the oxygen supply units in patients’ rooms, which caused rooms not to be available for patient occupancy.

In addition, critical engineering positions have seen significant reduction, as the 2nd and 3rd shifts have been reduced to just one engineer per shift,

“who is now required to leave the boiler room unattended for long periods of time while this one engineer is forced to answer all building maintenance calls.”

Lastly, Mr. Burchalewski testified that the hospital had recently implemented a new policy whereby the repairs and preventive maintenance of hospital beds will be contracted out, with an outside contractor already having assumed supervisory duties.

An additional example of CH subcontracting was offered by Maria Morgan, a medical transcriptionist at Mercy Hospital for more than 30 years. In November, 2014, Ms. Morgan and all other medical transcriptionist employees, (a total of 25 women) were summarily told their jobs were being eliminated and would be contracted out to Nuance, an International company with workers throughout the world, including India.

Hospital management claimed “the action was necessary because it would be prohibitively expensive to upgrade to new equipment and for needed space at the Marian Administration Building.” Ms. Morgan testified that most of the transcriptionists had regularly worked from home and would not have required a building location and that she and others suggested alternatives to management. They were told: “This is a done deal.” Ms. Morgan testified that the transcriptionists were given two choices: They could take jobs with Nuance, resulting in the loss of all service time as well
as reductions in wages and benefits, or they could take jobs as groundskeepers. No one accepted either offer.

To secure a job in the secretarial field, with its corresponding downgrade in position and pay, Ms. Morgan noted that transcriptionists had to bump employees out of their jobs, per the union contract. The subcontracting and bumping affected more than 60 employees. She concluded that “this entire fiasco was started by Catholic Health and their greed. This was never about the work we did nor the services we provided.”

But beyond the immediate impact on these 60 employees, some of the CH physicians have privately complained of problems in accuracy in reports transcribed under the Nuance operation. Additionally, one has to question the justice and logic of sending funds to an out-of-state company to pay their employees based all over the world, with funds generated by patients and CH employees based in Buffalo.

Hearing Officers next heard testimony from Christopher Stone, Council Representative of the Northeast Council of Carpenters, United Brotherhood of Carpenters. His position affords him the unique opportunity to gather and assess information regarding the new Catholic Health Building at 144 Genesee Street. Mr. Stone presented a timeline governing the building’s development and construction:

9/2012: The Carpenters Union asked the Diocese for assistance in securing work for locally based union construction companies at the proposed new Catholic Health Headquarters on Genesee Street. The Diocese claimed they had no control over Catholic Health or the project and that Uniland is the developer, not Catholic Health.

11/2012: CH CEO Joseph McDonald announced that CH does not own the property and had nothing to do with construction contracts.

As Mr. Stone testified, the above announcements then allowed CH to deviate from following long standing policy, stating:

“In the mid 1990’s, the Catholic Diocese of Buffalo entered into a formal ‘Memorandum of Understanding,’ mandating that the Diocese pay the ‘Prevailing Wage Rate’ for construction at all of its owned properties. The Memorandum, negotiated by Msgr. Peter Popadick, Executive Secretary of then Bishop Edward Head and as his representative, constituted the working arrangement to which both the Diocese and the Building Trades had agreed. Diocesan actions in connection to their new building headquarters appear to violate the spirit if not the letter of this memorandum.”

12/2012: When the unions approached Uniland regarding employment, they were told:

“Your union contractors are welcome to bid on this project, but they will not be awarded any contracts.”

By this point, the CH building at 144 Genesee Street had already received nearly $9 million in public assistance and tax incentives.

1/2015: CH purchased building from Uniland with an additional tax savings of $700,000. At this point, 144 Genesee became a tax-exempt property.

Finally, Mr. Stone stated that union members believe the plan was always for CH to purchase the building after completion, receiving additional tax benefits, all the while stating they had nothing to do with the awarding of construction contracts:

“Additionally, over the last five years, Catholic Health has had multiple projects totaling millions of dollars at their four affiliated hospitals. Over 90% of the general trades contracts went to unscrupulous contractors who do not pay the ‘Area Standard’ for wages and benefits. Many of these contractors don’t even offer health insurance for their workers.

Meanwhile, their competitor, Kaleida Health, does pay the ‘Area Standard’ for wage and benefits on all their construction projects. They utilize union contractors who are invested in apprenticeship, skills and safety training. They work hand in hand with unions to insure minority and female participation. When Kaleida does in-house work, they hire union tradespeople for maintenance and repairs, because they recognize the value of proper training and investing in the community.”
Tom Hopkins, former Business Manager of Operating Engineers 4092 and participant in the earlier negotiations with the Diocese, when the “Memorandum of Understanding” was adopted, subsequently explained to the Hearing Officers that their negotiations had taken a long time and included significant public actions. He stressed that the Diocese readily agreed to the memorandum upon learning (1) It was basically unfair that union workers were automatically shut out of the bidding process, thereby denying the larger community the economic benefits that come with a union wage; (2) The Diocese did not really benefit from the lower non-prevailing wage as the Developer profited the most and did not pass it on to the Diocese; (3) Shoddy workmanship often resulted in cost overruns. “With real conversation and dialogue, they came to see the justice of what we were asking for and the ‘Memorandum of Understanding’ was accepted. And we lived by it for many years.”

Hearing Officers observed that apprenticeship training, as Mr. Stone had testified, directly impacts the poverty level that currently identifies Buffalo as the 3rd poorest city in the U.S. (i.e. Apprenticeship requirements incentivize and reward contractors that invest in worker training and the next generation of skilled tradesmen and women.)

Testimony from the next witness also identified cost-cutting practices that have potential negative effects on patient care. Jenny Applewhite, Staff Representative for SEIU 1199, the union representing Certified Nursing Assistants at McCauley, began her testimony with data regarding current staffing ratios at the nursing home:

“Over the years, staffing has been reduced as the ratio of CNA’s to residents has gone from 2 aides to 10 residents to today’s ratio of 1 to 15. In addition, management is replacing full-time employees with part-time help, resulting in increased turnover as employees must leave to find full-time employment.”

Ms. Applewhite cited the case of an employee working in dietary for more than 20 years, who was replaced by a part-time worker, thereby impacting any paid benefits. She further testified that when staffing ratios are too high, and full-time employees are constantly replaced by part-time ones, the quality of patient care is degraded. As she explained, all they can do is “feed the residents, put them in their chairs and then back to bed.” This is especially hard, she testified, as CNA’s like their jobs precisely because they are able to interact personally and humanely with both the residents and their families. She cited what she called one of the worst complaints she hears from CNA’s:

“There is a growing shortage of supplies. And even worse, cloth wipes have been replaced with paper wipes. There is no dignity using disposable paper wipes, no basin, no wash cloth and towel. The patients are now lucky to get a shower once a week.”

Ms. Applewhite concluded her testimony with a single poignant statement:

“When officials come to inspect the nursing home, the supply closets are unlocked and supplies become plentiful.”

Hearing Officers, noting management’s apparent recognition of the unacceptability of this policy (i.e., they provide extensive supplies when investigators appear), expressed their shared hope that management reinstate the appropriate bathing materials so that patients may be treated with the dignity their caregivers are trying to offer.

Jennifer Tuttle, Deputy Director of Politics and Legislation in Upstate New York, Communications Workers of America, testified to a critical decision made by the Director of Nursing at Mercy Hospital that had the potential to create severe health care issues for both patients and staff.

As outlined by Ms. Tuttle, two patients suspected of having tuberculosis were left in a non-quarantined area for a period of 24 hours. Staff was informed that a negative-pressure room (for quarantined patients) was available but was occupied by a patient not needing to be quarantined. Supervisors and hospital management chose to leave that patient in the room until the next day even though hospital policy explicitly states that a suspected TB patient must be moved immediately to a negative-pressure room. Failure to follow policy exposes staff and other patients to TB.
When a second similar incident happened, nurses met with hospital management who made no attempt to rectify the situation. Ms. Tuttle concluded:

“I then filed a complaint with OSHA. That complaint resulted in the Hospital’s agreeing to create a temporary negative pressure room so that it is available when needed.”

In response to a question from Hearing Officers, Ms. Tuttle explained that the union had instituted a program in which nurses submit to the union, instances of short-staffing and its impact on patient care. “In two months, the union had received 580 forms.”

The critical issue of short staffing was testified to in detail by Debora Hayes, a Registered Nurse for 36 years and Upstate NY Area Director for CWA District 1.

Ms. Hayes began her testimony by sharing her conversations with nurses working at various CH facilities. She explained the level of discouragement and frustration that resonated from the group as soon as the topic of staffing came up. “Nurses described the most dangerous working conditions our direct caregivers must confront on a daily basis. There is a very real concern relating to errors at work, adverse effects bad staffing has on patients, and even the security of their professional license.”

NOTE: The American Nurses Association (ANA) supports a legislative model in which nurses are empowered to create staffing plans specific to each unit. This approach aides in establishing staffing levels that are flexible and account for changes, including intensity of patient’s needs, the number of admissions, discharges and transfers during a shift, level of experience of nursing staff, layout of the unit, and availability of resources (ancillary staff, technology, etc.). Establishing minimum upwardly adjustable staffing levels as statute may also aide the committee in achieving safe and appropriate staffing plans.

Ms. Hayes offered the example of a unit that had just lost two nurses in addition to the six they had already lost this year. The unit is a multi-purpose floor, handling telemetry patients, observation beds and a small hospice unit. There are constant admissions due to the observation beds, a heavy volume of medication that needs to be passed hourly, monitors to be answered, cardiac symptoms to be assessed and documented, and appropriate palliative care to be delivered to dying patients. Nurses must regularly deal with patients experiencing drug and alcohol withdrawal, and with psychiatric patients, some of whom do not belong on that unit. They also work with violent patients who sometimes assault staff resulting in a Code Silver call which brings hospital security to the floor to assess the situation, protect staff and, when warranted, call the police.

This unit has a staffing grid calling for one charge nurse, four staff nurses, two nurse aides and one monitor technician. This results in six patients for every nurse, a number too high given the acuity of the patients. It is important to note, Ms. Hayes added, that in the course of a 12-hour shift, with discharges and admissions, a nurse may actually care for 11 patients. She summarized the critical nature of the problem by noting that currently, there are almost 100 vacant nursing positions within Catholic Health.

When Hearing Officers asked why the large number of vacancies, Ms. Hayes responded that:

“Nurses literally cannot work under the stress of the situation and so they leave and accept a position within a different hospital. What does that mean for patient care? It means that call lights are either not answered or answered as soon as possible, patients are waiting for their medications to be delivered, and may miss out on basic care like bed baths or clean sheets. While the nurses are doing admissions and discharge paperwork, actual patient care suffers. The frustrating part of the staffing situation is that we have suggestions to offer. We work in the trenches every day and we know what needs to be done to improve staffing and patient care. But our suggestions fall on deaf ears. No one listens to us. No one cares what we have to say.”

Ms. Hayes offered two examples of poor staffing levels that prohibit nurses from providing a high level of nursing care.

“Contract language specifies that nurse transfers must be made to Sister departments or units departments or units in which nurses are competent to work. Nevertheless, the hospital is currently assigning nurses to work in areas outside of their expertise, training or competence. (e.g. Cardio-Thoracic nurses are required to float to the Emergency
Room.) Unless a nurse has been trained to work in an ER, they are not competent to work there, sometimes not even knowing where necessary equipment is to be found. As ER patients are acutely ill and awaiting a bed, such assignments, without requisite training, make the nurses fear their licenses may be in jeopardy.

Ms. Hayes explained further that this practice leaves the “home” unit short. Again, citing the Cardio-Thoracic unit, she noted the unit cares for new heart attack patients, for pre- and post-op open heart patients, with cardiac drips, chest tubes, insulin drips, all of which must be checked every hour.

“The cardiac patient is not a stable patient. Cardiac rhythm, pulse oximetry, lab work, patient vital signs must be checked continuously and drip rate changed to accommodate the fluctuating vital and lab work. The language of the contract is clear and is meant to protect the patient and nurse from harm. The Hospital should follow the contract as negotiated.”

Ms. Hayes concluded her testimony by stating that the nurses, with multiple years of service and experience, have attempted repeatedly to offer suggestions leading to improved staffing and patient care. All such suggestions are rebuffed. Her position as Area Director allows her to witness first-hand the effectiveness of such a collaborative process as it functions at Kaleida Health. “It is tragic that CH does not allow similar collaboration that we know, works.”

NOTE: Studies have shown that lower staffing levels lead to many pitfalls for the hospital patient population, including increased hospital acquired infection rates, missed care, medication errors, complications leading to longer lengths of stay, added costs and increased post-surgical and post-procedural mortality rates. Hospitals with safe staffing have been shown to have better scores, less turnover (less burnout, greater career satisfaction, decreased worker injuries), improved patient outcomes, and reduced 30 days readmission rates resulting in higher reimbursements and lower overall costs.


Testimony on Management Abuse at CH

The apparent policy choice of enhanced profitability at the expense of CH employees’ well-being was discussed in testimony offered by a number of individuals. Alarmingely, several testified to alleged abuse by management as a direct response to employee health issues.

Catherine Scalisi, a Mammography Technologist at St. Joseph’s Hospital for 23 years, testified to her firing as a result of a chronic illness that necessitated a visit to the hospital restroom. She explained that on April 27, 2012, an attack of severe Irritable Bowel Disease (IBD) forced her to leave her car at the hospital’s rear entrance and “run for the restroom.”

“I punched in at the time clock and went out to move my car to an approved parking space. I then worked my normal day. A week later, I was called to Human Resources and questioned about that day I had been ill with IBD. I truthfully told the HR Director what had happened. The Director accused me of having had someone else punch in for me that day and told me I was being terminated. Human Resource never found this person who supposedly punched in for me, nor have they ever charged anyone for doing this. I was escorted out of the building immediately by three Security Officers and two HR personnel.”

It is important to note in this context that Ms. Scalisi had been an exemplary employee with additional duties as Lead Mammography Technologist, responsible for ordering all supplies and for monitoring mammography quality standards. In addition, the hospital has more than 60 letters from patients specifically praising her quality care and she had even been highlighted in the department newsletter as an exemplary employee who should be emulated.

Hearing Officers expressed profound concern at the hospital’s decision to fire an excellent and experienced technician with an unblemished work record, simply

Catherine Scalisi
because of a medically necessary visit to the restroom, pointing out that CH efforts to disguise the reasons for her firing could not be substantiated. And in a direct reference to effects on patient care of their action, Hearing Officers listened as Ms. Scalisi concluded her testimony with:

“It is important to note that when mammograms are now offered at no cost to the patient, (due to the Affordable Care Act) the number actually performed at St. Joseph’s has dropped significantly. They had formerly been offered five days a week and are now reduced to two days a week. Many women that I did mammograms on will no longer come to St. Joseph’s nor even have mammograms because they specifically want me to do them.”

Because the Mammography Technologist position is a non-union classification, the unions representing the vast majority of CH employees were unable to represent Catherine Scalisi.

A second example of CH’s apparent unwillingness to accommodate an employee facing critical illness was offered by Rene Marriott, a dedicated RN at Mercy Hospital for 25 years. In March, 2012, Ms. Marriott was diagnosed with breast cancer, probably of a five-year duration. With an immediate four months of chemotherapy (necessary for such an advanced case), her prognosis was very good.

In July, 2012, following the chemotherapy treatments, Ms. Marriott testified she was cleared to return as an RN in the recovery room. She was notified by the HR manager that the hospital could not accommodate the restrictions her oncologist had recommended (i.e. a fifty-pound lift restriction and access to something to drink frequently, and a prohibition against working with highly infectious patients in isolation rooms). Human Resources asked her to change her doctor’s note which she did, three times. Finally, her doctor removed the orders. In August, Ms. Marriott successfully completed surgery and was scheduled to start radiation treatments. Then on October 1, 2012, Ms. Marriott was informed that since she had not performed her position as a Registered Nurse in the recovery room, her position was being posted.

“Your employment is not terminated at this time and you will remain on the associate list until such time you are notified of termination.”

While the Nurse Manager had been notified that Ms. Marriott was cleared to work, she still posted the position. With union intervention, Ms. Marriott returned to work October 9 after her doctor had lifted all restrictions. Ms. Marriott still needed radiation treatment. Her 33 scheduled radiation treatments, spanning some seven weeks, resulted in perhaps the hospital’s most egregious response. As testified by Ms. Marriott:

“I received treatments at Buffalo Medical Group on Sheridan Drive, raced down Sheridan to start my ten hour shift at Kenmore Mercy. My request to be scheduled with an 8:30 a.m. starting time was refused. Other nurses helped me by covering the start of my shift but on some occasions, I was marked as coming in late. I had no choice, I had to continue treatments. I put on my wig and a smile, drank a protein shake and worked a ten hour shift. My body and soul will never be the same after this experience while being an employee of the Catholic Health.”

Hearing Officers expressed dismay at the lack of cooperation, lack of simple compassion, and what can only be described as inhumane treatment that was shown to this employee of 25 years.

Similar inconsideration of an employee’s health issue, was testified to by Tina Rose, a Registered Nurse at the Kenmore Mercy Intensive Care Unit. She testified that in her case, a broken back injury necessitated her absence from work for several months. Per the union contract, after six months of absence, her job could be posted for other RN’s to bid on. However, rather than follow established protocols, the hospital erroneously terminated Ms. Rose, which she learned of only when attempting to pick up medication and was told she no longer had health insurance. HR’s improper termination instead of the mandated job posting, impacted Ms. Rose’s health insurance, pension, seniority, and “my life itself.”

When, with the union’s help, Ms. Rose finally returned to work, she was provided misinformation by HR Department regarding jobs for which she could bid, resulting in her current position on the telemetry floor. “I want to be back in the ICU but the hospital has placed an agency nurse there instead of me.”
Hearing Officers expressed concern that management would adopt this stance, as the employment of an agency nurse costs hospital management significantly more money because of attendant expenses. (i.e. Payroll for agency nurses can actually cost more than for hospital union staff as additional payment is required for the sponsoring agency; moreover, housing and travel costs are incurred as appropriate.)

Ms. Rose concluded her testimony by thanking the generous co-workers who had donated their paid time off, saving her home, her car and her life. I asked if I could put a short article in the hospital newsletter to thank all of these wonderful people. I was told:

“No, we don’t do that.”

Similar instances of management abuse would appear to fall within what CH employees called the “they do it just because they can” principle.

**Lynn White**, a Registered Nurse for almost eight years at Mercy Hospital, testified she was punished, not for an issue related to serving her patients, but rather for a technical computer glitch, over which she had no control. Ms. White was working in the ER, utilizing one computer system, when she was asked by hospital management to do unit clerk work for a day, utilizing a different computer system, one with which she was unfamiliar.

Upon logging in she saw a list of patient names, including her own. Knowing she is prohibited from accessing her own medical records, she immediately called the Help Desk. The technician tried to assist her but could not solve the problem and Ms. White exited the program and never logged back in. The computer expert who had tried to help subsequently emailed his boss, explaining the issue and the solution they had tried to implement.

In December, 2014, Ms. White said she was called in by Human Resources and told she was being written up for accessing her own medical records. Despite explanations from both Ms. White and the technical Help Desk, Laura Cianflone, HR Director at Mercy Hospital, refused to remove the written warning that had been issued. As a result, her request for a day shift has been denied.

Ms. White further testified that the outside technical team overseeing this particular computer system, has attempted to train employees in the process. They “fix” the problem and the problem simply continues to recur. Ms. White then concluded:

“I have serious health issues and I am currently on nights. The day shift would have been so beneficial for my health. I had been awarded the day shift job and then it was rescinded due to the written warning. Despite all the evidence that I had, they will not allow me to change positions. I have a clean record. As the sole provider for five children I should be on days. The computer problem still exists and I still have this written warning.”

Written testimony substantiating similar arbitrary decisions was offered by **Kim McNamara and Debbie Donahue**, Catholic Health Patient Access employees. They and their peers were informed by HR that they were all to wear a mandatory uniform, chosen by HR, so that they would present the appearance of uniformity. Unfortunately, as both Ms. McNamara and Ms. Donahue testified, the black sweaters chosen for them to wear are “very uncomfortable, very hot and itchy and do not look professional. They already have holes and are all stretched out.” As both witnesses testified, they had to pay $30 for the sweater which looks terrible and is difficult to wear in the hot summer months. Some employees suffered rashes. They concluded their testimony with:

“We have no problem wearing a uniform. But if they had just asked us for our ideas, we could have come up with a suitable sweater that would accomplish HR’s desire for uniformity while also being practical and comfortable to wear.”

The last and perhaps most illustrative of management’s recurring use of HR heavy handedness was testified to by **Kathy Kelly**, an RN at Mercy Hospital for 35 years and a Vice-President for CWA Local 1133. Significant to this example, as Ms. Kelly testified, is manage-
ment’s direct violation of an earlier NLRB ruling that governs similar activities.

On March 3, 2015, Sharon Scime, a Mercy employee and member of CWA Local 1133, was distributing flyers to CWA members in the hospital parking ramp and was told to stop. Two days later, HR Director Joseph Scrivo informed Ms. Kelly that flyers could not be distributed in the parking ramp because it was against the hospital’s solicitation policy, and that any flyer must be posted only on CWA bulletin boards. Accordingly, the union filed an Unfair Labor Practice charge with the National Labor Relations Board, noting that HR action was in direct conflict with Section 7 of the National Labor Relations Act and the earlier NLRB facilitated agreement specifically acknowledging the right of the union to handbill in non-patient areas of the hospital.

NOTE: Region 3 of the National Labor Relations Board subsequently issued a complaint based on a charge filed by the union. The complaint stated, “On or about March 5, 2015, HR Director Joseph Scrivo, at Respondent’s facility (Kenmore Mercy Hospital), denied its off-duty employee access to parking lots and other outside non-working areas. Joseph Scrivo prohibited its employee from distributing union literature while off-duty and in non-working areas.”

Three months later, on June 2, 2015, Ms. Kelly attempted to distribute literature, again in the parking ramp. Security guards told her to stop. And then, within 15 minutes of Sarah Barker of Human Resources having entering the hospital, she was told to leave hospital premises.

Testimony on CH Labor Policies

Throughout the hearing, CH employees testifying about their experiences, repeatedly pointed to critical differences in operational procedures between the Catholic Health and Kaleida systems, differences that affect employees and potentially, hospital patients.

Cori Gambini, a Registered Nurse for 30 years and current President of CWA Local 1168, testified to an especially significant example of these differing policies. Ms. Gambini stated that while the union has had differences with Kaleida, the essential relationship between employees and hospital management remained collaborative, and therefore, productive. In her words:

“We have a working relationship. We agree on issues many times and agree to disagree at other times. What is evident is that we communicate; we are almost always at the table. We utilize Labor Management, Job Security, Staffing and Oversight Committees. Importantly, we meet with senior executive administration including CEO Jody Lomeo, once a month. Transparency and open dialogue characterize all our meetings.”

Ms. Gambini provided the Hearing Officers with a critically important example of positive action resulting from such collaboration and communication:

“Twelve years ago, Kaleida Health and CWA worked together to create a ‘No Lift Policy.’ Following our shared dialogue, Kaleida purchased equipment and jointly we trained staff to keep both patients and staff safer, protected from injuries and potentially career ending injuries. Significantly, we were able to decrease workers’ compensation rates for Kaleida Health. Most importantly, this working relationship became the framework for the recent adoption of NYS legislation governing safe patient handling.”
Additionally, the union and Kaleida worked together to move Millard Fillmore Hospital at Gates Circle to the Niagara Medical campus, and together we created the Gates Vascular Institute. Patients are receiving quality care with state-of-the-art equipment, when formerly they had to travel out of town.”

Hearing Officers noted that the collaboration with Kaleida described benefitted (1) the hospital with lower workers’ comp rates and increased patient numbers; (2) Registered Nurses with lower injury rates and with training in the use of state-of-the-art equipment; (3) patients who were able to receive quality care at Kaleida with procedures they formerly had been forced to secure out of the Western New York area; (4) all New York citizens who daily benefit from the “Safe Patient Handling Act.”

Hearing Officers were saddened by the contrast between the above scenario and the working environment at CH, as testified to by Ms. Gambini:

“Our relationship is filled with tension, secrets, mistruths and fighting. We are never included. We can’t make a simple information request, which is our legal right to do. We do not problem solve together. They dictate to us what they are going to do and then we react. If it violates the contract, we file grievances. If it violates the law, we file charges.”

There was testimony that in order to address this ongoing “tug of war,” CWA Local 1168 hired a LPN at Kaleida Health with 20 years of labor relations experience. After just three short months of effort, he was expressing his mounting frustration: “They don’t communicate. It’s a constant battle. They violate labor law. They don’t care.” Accordingly, he filed an Unfair Labor Practice Charge with the National Labor Relations Board, resulting in a formal meeting with David Delorenzo, CH Senior Director of Human Resources; Dawn McDonald, CH Manager of Human Resources; and Elisha Tomasello, Labor Relations Attorney for CH. Union members present say they expressed their desire to develop a better working relationship, a collaboration that would benefit both employees and patients. Elisha Tomasello, Vice President H.R. Services, responded:

“We have no desire to have a working relationship with the Union. We will never have the working relationship you have with Kaleida.”

Union staff say they attempted to ask clarifying questions but were met with silence. Finally, they requested permission to distribute flyers encouraging employees to get a flu shot. Staff say the response from HR was:

“You will not be allowed in our building unless you have a scheduled meeting. We have a policy prohibiting solicitation.”

Something as unremarkable as a flyer urging employees to receive a flu shot was contested by CH. Ms. Gambini concluded her testimony by stating: “If we can’t work together on a flu alert flyer, we’ll never work together on issues that truly matter to patients and employees. Management intractability continues to prevent a collaborative process that could potentially impact every patient who walks through our doors.”

Todd Hobler, Vice-President, 1199 SEIU, subsequently informed Hearing Officers of a similar example of CH’s refusal to collaborate, especially significant as it involved $8 billion in a federally funded, statewide initiative launched in 2014, the Delivery System Reform Incentive Payment (DSRIP). The goal is to reduce hospital admissions and better coordinate care provided to Medicaid recipients. Each region of the state has a PPS (Performing Provider System) or multiple PPS’s, comprised of Medicaid providers (hospitals, clinics, behavioral health centers, nursing homes and substance abuse centers). Two PPS’s function in Western New York: Millennium (organized by Kaleida and ECMC) and Catholic Medical Partners (organized by CH).

The unions at Kaleida and ECMC have been invited to contribute to the process and sit on several boards and committees. CH unions have been told they will be involved only if the PPS projects impact union members. There was testimony that members have requested meetings and asked to be included on committees, especially the workforce development committee. All requests have been denied. Importantly, DSRIP was designed to include labor-management cooperation. The NYS Department of Health has notified Catholic Medical Partners that it must improve in this area; nonetheless. CH union workers continue to be sidelined.
Deborah Arnet, President, CWA Local 1133, testified that CH’s autocratic management approach also distorts the operation of the contractually agreed upon grievance procedure. Prior to assuming her present position, Ms. Arnet had been Chief Steward at Kenmore Mercy Hospital for 22 years, a role necessitating her direct involvement in the grievance process. This process, as stipulated in the union contract, involves four steps: (1) meet with immediate supervisor; (2) meet with appropriate Vice-President (of Nursing) or designee; (3) meet with Director of Human Resources; (4) utilize binding arbitration. Ms. Arnet explained that these four steps have been contractually agreed to and that unilaterally changing the process represents a direct violation of contract language.

With detailed data-based testimony, Ms. Arnet testified about the significant trend away from Step 1 dealings and instead, proceeding directly to Human Resources. She submitted a detailed chart outlining Kenmore Mercy Hospital Grievance History, 2001 - 2014, that clearly establishes this troubling shift.

(See appendix E: Kenmore Mercy Hospital Grievance History 2001 - 2014)

Significantly, the data show that by the year 2014, not a single grievance was settled with the immediate supervisor and 24 went directly to HR. In the past, grievances had been settled with persons directly knowledgeable of the issue in question; presently grievances go directly to HR. Ms. Arnet quoted the hospital’s Director of Nursing as telling her:

“All of my answers have to be first sent to HR for review before the union member can get a response.”

There was concern that this policy effectively dis-empowers both union stewards and front line supervisors, the very persons with direct knowledge of the issue at hand. Ms. Arnet summarized the negative consequences of this practice as follows:

1. Issues take significantly longer to resolve.
2. HR operations pull staff from working directly with their patients.
3. Both resources (financial and personnel) and time are wasted.

Examples of unlawful unilateral changes were testified to by Vanessa Quinn, a Registered Nurse at Kenmore Mercy Hospital (KMH) for 30 years and also the KMH representative on CWA Local 1133’s Executive Board. Ms. Quinn testified:

“It is not uncommon for Catholic Health to take actions that affect our members without giving prior notice to the union. We very often find out about significant issues when employees call and tell us there was a staff meeting and they were notified that their jobs were being eliminated or contracted out, there were going to be layoffs or perhaps management was going to change how scheduling is being done.”

As one example of such unilateral action, Ms. Quinn cited the example of Dual Status Employment (DSE). In February, 2015, a hospital flyer was used to notify employees that they would no longer be allowed to hold two or more positions at various Catholic Health sites. Formerly, for example, an employee could work as a full-time respiratory therapist at KMH and a per-diem respiratory therapist at St. Joseph’s Hospital. With the expansion of the number of part-time jobs replacing full-time jobs at CH, many employees are able to provide for their families by piecing together more than one part-time job within the Catholic Health system. CH’s unilateral alteration of contract-governed policy affects approximately 80 employees.

By law, the elimination of Dual Status Employment (DSE) is a mandatory subject of bargaining, so the CWA immediately requested negotiations. While the union is currently analyzing information and offering proposals, CH has moved forward with the elimination of DSE. Specifically, (1) Managers informed all employees DSE would end June/July, 2015; (2) Formal letters were sent to all employees stating the same; (3) Employees are denied jobs if their bid places them in a Dual Status situation.
NOTE: Region 3 of the National Labor Relations Board subsequently issued a complaint based on the charges filed by the union: “On or about March 13, 2015, the union requested that the Respondent (Kemore Mercy Hospital, Mercy Hospital Buffalo, St. Joseph Hospital) bargain collectively about the decision to eliminate dual employment. Since about March 13, 2015, the Respondent has failed and refused to bargain collectively about the subject, one which is a mandatory subject of bargaining.”

Hearing Officers questioned why this new DSE policy is necessary. In response, Ms. Quinn shared CH’s published rationale:

“Catholic Health’s evolving HR technology systems will not accommodate CH associates in two or more different positions.”

Hearing Officers then expressed surprise that today’s technology was inadequate to address the DSE situation. A Mercy employee responded that he believed the real reason had to do with potential increased overtime costs.

Unilateral changes and the violation of existing contract language as described above are also a concern when they involve non-union employees. Such was the case of Paul McCarthy, a Nuclear Medicine Technician at Kenmore Mercy Hospital. He had been hired full-time in 2001 and worked full-time until 2009. He testified he was informed by HR that they were changing his employment status to per-diem. For the next four and a half years, Mr. McCarthy was categorized as per-diem while he actually worked nearly full-time. This change in job status resulted in a significant diminishment of his benefits.

When Mr. McCarthy tried to pick up hours at another location, he was told he had to be available as needed. He subsequently went to Human Resources, to explain that he was a per-diem employee who worked nearly full-time hours, and needed a full-time position. He was told his services were no longer needed. He was terminated when he requested to return to his full-time status.

Following this last presenter, hearing officers offered a brief response in which they questioned why CH would behave in the manner as repeatedly presented in employee testimony. A brief compilation of their remarks is as follows:

“It would appear that their rationale is to institute policies that result in increased profit for the Institution and thereby a corresponding increase in executive pay. Based on current cash reserves of some $320 million, they seem to demand concessions from employees, not because they need them, but because they can. Administration pettiness, arbitrary control, and lack of compassion appear to directly contradict CH’s values, Mission Statement and expressed objectives. Moreover, we would hope that the moral and professional values exhibited throughout CH facilities (Reverence, Compassion, Excellence, Justice) may come to more closely characterize employer – employee relationships.”

Denise Abbot
We begin by restating that the purpose of the Workers' Rights Board Hearing and of this report is to suggest positive change that will encourage CH to meet or exceed standards in place at comparable health care systems. We reiterate our shared understanding that CH remains a valuable and needed community resource. For this reason, we have worked to receive and evaluate testimony from CH employees and to offer recommendations that may begin to address the expressed concerns about administration policies, some of which appear to be in conflict with Catholic Social Teachings.

In general we wish to state our belief in the importance of healthy and successful labor relations. National studies have shown that collaborative and constructive labor relations, including in unionized workplaces, can promote job efficiency, productivity and other benefits that not only help reduce costs but can also make an important contribution to the success of an employer.

1. Reverse Executive Compensation Policies

Hearing Officers found the evidence regarding CH financial policies as offered by Dr. Hyde to be troubling. Its “cash hoard” surpassing $322 million as of 12/31/14, charity care expenses averaging only 6% of total expenses, and an executive bonus pay system based on increased profits rather than patient care and outcome measurements would appear to contradict principles expressed in its own Mission Statement.

We Recommend that Catholic Health drop its existing executive bonus pay criteria and institute change that can bring CH closer to prevailing industry practice. (i.e., bonuses predicated on quality of care, patient satisfaction, avoidance of error, etc.). This industry practice, called a “balanced” incentive, directly contradicts current CH “Operating Income Target” policy that awards bonuses based on increased profits.

It is important to note in this context Question #6 on IRS Form 990 in which the responder is asked, “Did the organization pay or accrue any compensation contingent on the net earnings of the organization?” CH answered “Yes” to the question whereas Kaleida Health and most NYS hospitals answered “No.”

2. End Outsourcing

Illustrative of the potentially negative effects of cost-cutting was the testimony presented by Ms. Morgan, a medical transcriptionist at Mercy Hospital for more than 30 years. She explained that she and her 24 coworkers were replaced with sub-contracted workers of Nuance, an international company with headquarters in Massachusetts and in Europe, and workers throughout the world, including India.

Beyond the impact on the more than 60 employees involved in the resulting “bumping”, is the question of the accuracy of the medical transcription itself. She noted that numerous complaints regarding the quality of the reports transcribed under the Nuance operation have been heard from hospital physicians.

We Recommend that CH return medical transcription services to local hospital transcriptionists, which would preserve jobs and better assure the quality of reporting procedures.

3. Pay Prevailing Wage

Strengthen Buffalo’s Middle-Class

Hearing Officers were concerned by testimony offered by Christopher Stone regarding CH’s failure to follow directives of the existing “Memorandum of Understanding” governing work contracted by Diocesan owned entities. He testified that more than 90% of CH Trades projects over the last five years went to “unscrupulous contractors who do not pay the ‘Area Standards’ for wage and benefits.” He further contrasted this with their competitor, Kaleida Health, which does pay ‘Area Standards’ for ALL wages and benefits on ALL their construction projects.

We Recommend that the Diocese of Buffalo and CH meet with union contractors and Buffalo’s Building Trades Unions to renegotiate a “Memorandum of
Understanding” that recommits the Diocese to paying the prevailing wage standard and to the use of local union contractors. This will allow CH to return to the practice, as supported in Roman Catholic Church documents, of utilizing union workers, with their existing apprenticeship and safety programs, for all construction work. This is especially critical as the union’s continuing investment in apprenticeship, diversity and safety programs as well as their established wage, benefit and pension standards have perhaps the most significant potential to impact positively the debilitating poverty level in the City of Buffalo.

Further, Catholic Social Teaching is replete with statements supporting the rights of workers to organize, with such teachings to be reflected in Diocesan policies, including the practice of utilizing union labor in construction projects. This principle is clearly established, even should the Church be considered the “indirect” employer. Laborem Exercens points out that an indirect employer establishes the conditions under which the direct employer determines the actual work contract. The Church as an indirect employer is still required to safeguard and respect the right of the workers, primarily the workers’ right to organize, to just wages, decent benefits and working conditions.

4. End Unilateral Management Behavior in Violation of Labor Agreements

Hearing officers were concerned about testimony by CH employees, regarding the unilateral changes in workplace conditions that are mandatory subjects of bargaining under labor law. An example of this was Kathy Kelly’s testimony regarding HR’s order to cease offering flyers to employees in the Mercy Hospital parking ramp, which appears to violate the NLRB Facilitated Agreement of 1994.

We note that since the date of our June, 2015, hearing, Region 3 of the National Labor Relations Board has issued three complaints based on the union’s charges of unfair labor practice violations, including in the case mentioned in Kathy Kelly’s testimony.

We Recommend that CH instruct their HR Department to cease interfering with union distribution of literature to fellow employees in non-patient areas of the hospital during non-work hours. In so doing, they will be in compliance with the NLRB Facilitated Agreement of 1994, an agreement that should continue to be followed.

5. Improve Workplace Problem-Solving

Deborah Arnet submitted data spanning 13 years, establishing how the grievance process at Mercy Hospital had moved away from that stipulated in the union contract to one in which virtually all grievances go directly to Human Resources, passing over immediate supervisors with the greatest knowledge of the situation.

We Recommend that CH follow the grievance process outlined in the union contract which should save time, personnel and resources.

Management should institute training, perhaps by securing the services of labor-management professionals, to instruct employees and personnel at all levels of the Human Resources Department as well as department supervisors, in the proper multi-step grievance procedures which should promote expeditious grievance resolution and the promotion of more harmonious relations between the unions and management.

6. Respect Employees’ Health Concerns

Testimony presented by CH employees facing serious health issues was also troubling. Hearing officers were deeply moved by testimony offered by Catherine Scalisi, a mammography technologist for 23 years, fired after an emergency stop at a hospital restroom; by Rene Marriott, dealing with stage four breast cancer, having her position posted even as she tried to return to work and with her doctor’s approval; and by Tina Rose, whose broken back injury initially resulted in her improper termination and subsequent replacement by an agency nurse.

We Recommend that CH offer supervisors, training to help them be more responsive to employee health crises. This approach, would more faithfully reflect the stated CH Mission, specifically, “We show courtesy to everyone through warm, welcoming words and gestures.” and “We extend a welcoming hand to all patients, residents, families and associates.”
7. Improve Labor-Management Relationships to Benefit Patients and Employees

Hearing Officers noted concern about a lack of collaboration between CH staff and management that union members testified can be both hostile and short-sighted. Cori Gambini testified about the contrast between the rejection of collaboration at CH and the collaboration and communication that characterizes relations in the Kaleida System. She offered as an example the adoption of the New York State “Safe Patient Handling Act,” that resulted from collaboration at Kaleida.

Further, testimony was offered by Jennifer Tuttle regarding management’s failure to adequately address a potentially critical TB case at Mercy Hospital. Rather than constructive collaboration to prevent future such cases, a formal OSHA complaint was filed, resulting in the hospital’s being forced to take appropriate action.

And Debora Hayes offered compelling testimony about inadequate staffing. She testified that persistent short-staffing causes nurses to stress and fear for their professional license, and raises concerns about transfers to units outside their professional competency. Short-staffing also raises concerns about patient care. Emphasizing their desire to work cooperatively with Management, Ms. Hayes concluded:

“The frustrating part of the staffing situation is that we have suggestions to offer. We work in the trenches every day and we know what needs to be done. But our suggestions fall on deaf ears. No one listens to us. It is tragic that CH does not allow collaboration similar to that functioning at Kaleida Health. It is tragic because we know it works.”

Hearing Officers were particularly concerned about the reported response of Elisha Tomasello, V.P. Human Resource Services, when union members expressed their desire to develop a better working relationship to benefit both employees and patients:

“We have no desire to have a relationship with the Union.”

We Recommend that Catholic Health and its union leaders explore a process whereby effective collaboration may be developed, resulting in improved staffing and patient care. Such process may include utilization of services offered by the Federal Mediation Services and / or the New York State Department of Labor Mediation Services.

Finally, WRB Hearing Officers who are Faith Leaders in this community, Recommend that Bishop Richard Malone instruct CEO Joe McDonald to take specific steps to eliminate the sinfully destructive culture that characterizes the policies and practices of the Human Resources Department at CH.

Throughout this Report, we, the Hearing Officers have referenced Catholic Social Teachings relating to workers’ right to form unions with the corresponding responsibility of the Employer to treat their unionized employees with respect, with justice and with recognition that unions play a critical economic role in the larger community. In particular, we note that Canon Law stipulates,

“The local ordinary, and in particular the diocesan bishop, has a vigilance role over all Church related activity in the diocese, including the observance of Church law on employer-employee relationships.”


For this reason, and all the others cited in our report, we offer our recommendations in a spirit of hopeful collaboration, recognizing as we have done, the critically important role that Catholic Health plays in our Western New York community.
Respectfully submitted,

Fred Feinstein  
Former General Counsel  
National Labor Relations Board

Sister Judith M. Justinger, SSJ  
Leadership Team  
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Appendix A:
Relevant Texts from Roman Catholic Social Teachings

“Among the basic rights of the human person is to be numbered the right of freely founding Unions from working people. These should be able truly to represent them and to contribute to organizing of economic life in the right way. Included is the right of really taking part in the activity of the Union without risk of reprisal.”

– Gaudium et Spes (Joy and Hope), December, 1965
Pastoral Constitution on the Church in the Modern World

“All these rights, together with the need for the workers themselves to secure them, give rise to yet another right: the right of association, that is, to form associations for the purpose of defending the vital interests of those employed in the various professions. These associations are called labor or trade Unions. The experience of history teaches that organizations of this type are an indispensable element of social life, especially in modern industrialized society.”

– Laborem Exercens (On Human Work)
John Paul II, 1981

“The role of trade Unions in negotiating minimum salaries and working conditions is decisive ... not only in negotiating contracts, but also as place where workers can express themselves. They serve the development of an authentic culture of work and help workers to share in a fully human way in the life of their place of employment.”

– Centesimus Annus (The Hundredth Year)
John Paul II, 1991

“Authentic and effective labor Unions run by workers, are the surest way to achieve the social objective of full employment and fair wages.”

– Pastoral Letter
U.S. Catholic Bishops, 1919

“The worker’s right to form labor Unions and to bargain collectively is as much his right as his right to participate through delegated representatives in the making of laws which regulate his civic conduct. Both are inherent rights.”

– Rights of Workers to Organize
National Catholic Welfare Conference, 1933

“The Church fully supports the right of workers to form Unions or other associations to secure their rights to fair wages and working conditions. No one may deny the right to organize without attacking human dignity itself. Therefore, we firmly oppose organized efforts, such as those regretfully now seen in this country, to break existing Unions and prevent workers from organizing.

All the moral principles that govern the just operation of any economic endeavor apply to the Church and its agencies and institutions; indeed the Church should be exemplary.”

– Economic Justice for All
U.S. Conference of Catholic Bishops, 1986
Appendix B: Catholic Health System Mission Statement

Catholic Health

Our Mission

Why We Exist
We are called to reveal the healing love of Jesus to those in need.

Our 2020 Vision

What we are Striving to Do
Inspired by faith and committed to excellence, we will lead the transformation of healthcare in our communities.

Our Values

Reverence
We honor the value of each individual we encounter at Catholic Health,

- We show courtesy to everyone through warm, welcoming words and gestures.
- We collaborate to foster our Mission and Values.
- We care for and strengthen our healing ministry and all the resources entrusted to us.
- We look for the face of God in everyone we meet.

Compassion
We commit to walking with others through both joy and suffering,

- We are a transforming, healing presence in the communities we serve.
- We extend a welcoming hand to all patients, residents, families and associates.
- We reach out unconditionally in the spirit of the Good Samaritan.
- We show kindness when we help others.
- We offer empathy, tenderness and respect to those in need.

Justice
We dedicate ourselves to treat all people with respect, dignity and fairness,

- We advocate for persons who are poor and vulnerable.
- We recognize and affirm each individual's contributions.
- We are honest and ethical in all dealings.
- We honor the uniqueness of each individual and maintain an inclusive environment.

Excellence
We commit to exceed the expectations of our patients, residents, their families, and all the people we meet at Catholic Health,

- We envision a future filled with hope.
- We foster a high quality workplace.
- We seek opportunities for professional and personal growth.
- We are faithful to our Mission and Values.
- We provide the highest quality of care and service.
Appendix C: Catholic Health Updated Financial Analysis

To: Workers’ Rights Board
From: Fred Hyde, MD
Subject: June 30, 2015 Financial Report from Catholic Health
Date: September 21, 2015

Dear Member of the Workers’ Rights Board:

I testified before you in early June concerning the financial performance of Catholic Health (CH). Since June, further information has become available, in a report submitted by CH to the Dormitory Authority of the State of New York (DASNY), reflecting the performance of the CH hospitals through June 30, 2015. The numbers in these DASNY reports will be slightly different from the CH audited financial statements, since they reflect only the activity of the CH hospitals, not long term or other care. (The hospitals constitute roughly 90% of the financial performance of Catholic Health.)

CASH HELD: Cash held by the hospitals has in fact grown steadily from $218,172,000 at the end of 2012 to $325,243,000 at the end of June 30, 2015. This increase (which I refer to as “cash hoarding” in my report) has continued in 2015; cash on hand has increased $40 million from the end of 2014 to the end of June this year. DAYS CASH ON HAND: “Days cash on hand” for the CH hospitals has increased from 105 (much greater than most of the nation’s hospitals) to 138 days.

In addition, the June 30 report shows that the percentage of operating expenses represented by salaries, wages and benefits is actually down from last June, despite an increase in full-time equivalents and also what must be the expensive addition of physicians and the inclusion of their salaries in this measure. In other words, a lower percentage of total expense is going to workers, at the same time that cash on hand is increasing.

CASH FLOW: Cash flow from operations (workers taking care of patients) continues to be highly favorable, nearly $54 million through June of this year, compared to $31 million through June of last year. This cash was used primarily in “investing” activities (buildings and equipment), $91.6 million so far this year, compared to $32.8 million at the same point last year.

The reports to DASNY on the hospitals include volume information which is not included in the audited financial reports. Inpatient discharges are down from 49,158 in 2012 to 46,524 (annualized from six months) in 2015. This is consistent with national trends that have brought inpatient discharges down. What is unusual about these CH reports is that they appear also to have lost about 10% of their ambulatory volume since 2012. This would be a severe reflection on management; the overwhelming trend in the hospital field is an increase in outpatient care with modest declines in inpatient volume. In any event, an unusual pattern.

CH priorities appear to be continued retention of cash (in amounts which greatly exceed that of hospitals four to six times their size in New York State), declining percentage of expense devoted to workers, a use of cash for property, plant and equipment, and, a reflection on management, a frankly stunning decline in outpatient volume.

Thank you for the opportunity to update my report.
Appendix D:
Letter to CH CEO Joseph McDonald

Mr. Joseph D. McDonald
President and CEO
Catholic Health
144 Genesee Street
Buffalo, NY 14203

Dear Mr. McDonald

In response to numerous stories of unfair treatment of Buffalo area employees of Catholic Health, the Coalition for Economic Justice will convene a Workers Rights Board hearing on June 2, 2015, to listen to a number of workers give testimony about their experiences at work, including but not limited to: significant mistreatment, alleged misuse of needed funds for illogical and inefficient systems, critical questions concerning staffing levels.

They will also provide testimony on ways they have witnessed the communities they serve being disrespected and undervalued. Finally, we will hear witnesses testifying that they believe CH is systematically showing preference to non-union contractors and subcontractors for rehab and new construction, at times leading to shoddy work that needs to be rebuilt.

The Worker Rights Board will be comprised of national and local clergy and civic leaders with both the expertise and the experience to analyze the offered testimony and author the finalized Report prior to publication.

After we hear from the witnesses, we would like to share the highlights of their testimony with you and offer you a chance to respond. Would you or a representative of Catholic Health be available to meet with us the morning of June 3rd. We shall contact your office prior to that date to learn if you or your representative is available.

Kind regards,

Rev. Kirk Laubenstein
Executive Director

Joan Malone
Executive Director (retired)
Appendix E:  
NLRB Facilitated Agreement, 1994

Attached below is the agreement signed by Mercy Hospital and the union after CWA brought charges against the hospital for preventing the union from handing out literature in non-patient areas during non-work hours. Mercy signed to avoid having the National Labor Relations Board issue a formal complaint and hold hearing formally finding the hospital guilty of violating the union’s rights. The agreement was signed in 1994 and remains pertinent to the recent action taken by hospital administrators in forcing union members to end their distribution of flyers.

Settlement Agreement

RE: NLRB Case Numbers
3 CA-18137 (Distribution of Union Literature)
3 CA-18144 (Request for Information)
3 CA-18152 (Request for Information)
3 CB 6521 (Request for Information)
3 CA-18358 (Attendance Policy)

It is agreed by and between Mercy Hospital of Buffalo ("Mercy Hospital") and the Communication Workers of America ("Union") that the foregoing charges shall be settled subject to the terms set forth below:

1. The Union shall continue to enjoy the right to handbill during non-work time in non-patient care areas. Such right shall be guided by the National Labor Relations Act ("Act").

2. Mercy Hospital agrees to be bound by the terms of the 1994-97 collective bargaining agreement with respect to any future changes in the attendance policy. In this regard, the Hospital shall deal with the Union as the sole and exclusive agent of bargaining unit employees.

3. With respect to those charges dealing with a request for information, the following shall apply, and such information shall be supplied if not already supplied if such request is remitted within thirty (30) days following formalization of this agreement:
   a. Mercy Hospital agrees to provide the information set forth in Case Nos. 3-CA-18344 and 3-CA-18352, as requested by the Union.
   b. The Union agrees to provide the information set forth in Case No. 3-CB-6521, as requested by Mercy Hospital.

4. Both Mercy Hospital and the Union agree that upon receipt of any request for information, each shall provide the other with required requested information within the guidelines set forth in the Act.

5. Neither Mercy Hospital nor the Union admits that it violated the National Labor Relations Act.

5. Mercy Hospital and the Union each agree to withdraw respective charge(s), noted above, without prejudice.

Agreed* this ___/___/94 day of September, 1994.

[Signatures]

For the Union  Date  For the Hospital  Date

*The parties acknowledge that final approval may be required by the NLRB.
Appendix F:
Kenmore Mercy Hospital Grievance History
2001 - 2014

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From 2001 to 2005, 59 out of a total 99 grievances were settled within Nursing which accounts for 63%.

From 2005 to 2008, only 25 out of a total 115 grievances were settled within Nursing accounts for 18%.

From 2009 to 2014, only 23 out of 236 grievances were settled below Step 3, Human Resources.
Appendix G:
“Operating income increases 28 percent at Catholic Health” The Buffalo News, April 2, 2015

Operating income increases 28 percent at Catholic Health

By Stephen T. Watson
News Business Reporter

Catholic Health System earned $40.8 million in operating income on $953.6 million in revenue last year, an increase of 28 percent over 2013 that continued the system’s steady financial performance over the past decade.

The system’s revenues rose by $313.3 million, or 34 percent, from $922.2 million in 2013, an increase that outpaced the $225.5 million, or 2.5 percent, rise in expenses from 2013, according to its 2014 audited financial statements.

Operating income rose by $8.9 million from the $31.9 million recorded for 2013. When taking into account investments and other income, Catholic Health earned $42.8 million last year, a profit margin of 4.5 percent.

Catholic Health is the second-largest hospital system in Buffalo Niagara, behind Kaleida Health, with Sisters of Charity Hospital, Mercy Hospital, Kenmore Mercy Hospital and Sisters’ St. Joseph Campus. The system also operates outpatient facilities and is in the process of merging with Mount St. Mary Hospital in Lewiston.

Net patient service revenue rose by $39.2 million, or 4.2 percent, to $962 million in 2014, a figure that doesn’t include provisions for bad debts and other revenues.

On the expense side, spending on employee salaries, wages and benefits rose $31 million, or less than 1 percent, to $532.9 million last year.

Spending on charity care, programs that benefit the community and the system’s uncompensated cost of its Medicaid program rose by $4.5 million, or 5.7 percent, to $82.1 million in 2014.

Senior Catholic Health officials weren’t available Wednesday to discuss the system’s financial performance.

email: swatson@buffnews.com
Human Resources officials prohibited union members from distributing this flyer to fellow employees at Mercy South Buffalo hospital on June 2, 2015.

“We are committed to identifying issues of common interest that reflect our shared values and on which we can work together.”

Respecting the Just Rights of Workers
Subcommittee on Catholic Health Care and Work United States Conference of Catholic Bishops

CWA, SEIU, UFCW, IUOE: Making Good Hospitals Better.

The Western New York Workers’ Rights Board

is sponsored by

The Coalition for Economic Justice

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