



1199SEIU Family of Funds

A Partnership for Excellence

1199SEIU National Benefit Fund
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1199SEIU FAMILY OF FUNDS

EmployerNEWS

Fall 2005

Benefit Fund Meets Cost-Saving Challenge

In the face of escalating health costs, last year our labor and management Trustees directed the National Benefit Fund to find new ways to protect our benefit dollars without sacrificing care. We've done that, and more. While insurance premiums for employers increased nationally by twelve to fourteen percent over the past year, our employer contributions have been kept well below the national average through sound management and cost-saving measures. In the first five months of 2005, our cost-saving initiatives combined (including less than 2 months of our new prescription program) have already saved the Fund over \$12 million.

In addition to our mandatory mail-order prescription drug program, we have enrolled 13,000 retirees in our HIP HMO, and members now must use either their hospital-based Member Choice facilities or a single vendor (LabCorp) for all lab work and are encouraged to use a single vendor (MedFocus) for radiology services.

But these changes are just the beginning. In the coming year, the Benefit Fund is implementing new, creative solutions to save costs that go beyond those mandated in our Collective Bargaining Agreement. By negotiating a contract with a new Utilization Management vendor, Intracorp, we will save considerable dollars both in administrative fees and more effective oversight for inpatient pre-certification. We will also be bidding out our "wrap-around" provider network for services outside of New York City.

And we're engaging members in the challenge. This summer, the Benefit Fund launched a "Protecting our Health" campaign to educate and encourage 1199SEIU members to take healthy steps to utilize their benefits more effectively.

"While other employers face rising premiums for fewer services, the 1199SEIU Benefit Fund has found creative solutions to contain costs while providing seamless service to our 1199SEIU represented employees. When you consider the economic climate we're working in, it's a remarkable achievement," says Dennis Buchanan, Vice President of Human Resources at New York Methodist Hospital.

Perhaps most importantly, through responsible oversight, our Benefit Fund has always kept our costs far below the national average, ensuring that employer contributions are used in the most cost-effective way without sacrificing care. All these aggressive strategies together mean that we are on track to meet our goal of saving an aggregate \$40 million in 2005.

Of course, in this increasingly difficult economic climate for both our industry and our institutions, even the most effective cost savings programs can only go so far. While we have made great strides, rising health costs will continue to challenge our Fund. Together, with our Trustees, we will continue working to find ongoing solutions for preserving the benefits.

Welcome!

This is the first issue of our quarterly newsletter to keep you informed of the latest developments in our 1199SEIU Family of Funds.

This newsletter is long overdue. As employers who contribute to the 1199SEIU National Benefit and Pension Funds, Employment Training Job Security Programs and Child Care Fund, you need to know how your contributions benefit our institutions as well as the Union members.

Besides helping to make for healthier, happier, more productive workers, our Funds work collaboratively to strengthen our industry.

We advocate for our health care system through the Healthcare Education Project.

The Labor Management Project brings labor and management together to find mutually beneficial solutions to our industry's challenges.

Our Training and Upgrading Funds help the institutions we serve to develop the workforce and fill industry gaps, such as the current nursing shortage.

The Job Security Fund stabilizes the workforce by training 1199SEIU members in new skills and placing laid off workers back within the industry.

Our Child Care Fund provides affordable and quality family services so that your employees don't have to worry about their children while they are at work.

Our National Benefit Fund gives members peace of mind by providing the health care they need now.

And our investment of Pension Fund assets has a long history of success to ensure our members' security after retirement.

By working together, across our Funds and across the industry, we can share resources and become more efficient and cost-effective in administering our benefits and programs. These partnerships between our institutions and our union are working — our workforce is stronger and more productive because of the work we do together.

We hope you will find this publication useful, and we look forward to your feedback.

Mitra Behroozi
Executive Director
National Benefit Fund

Deborah King
Executive Director
Employment, Training
& Job Security Program

Carol Joyner
Executive Director
Child Care Fund

Aren't Emergency Rooms Meant For Emergencies?

A recent utilization analysis shows that many 1199SEIU hospital workers are in the habit of visiting the emergency room in their hospital for routine care, such as vaccinations.

This makes little sense. Contributing employers can keep their employees' health benefit costs down by working with them to use the emergency room appropriately and by thinking twice before referring staff to the ER for non-emergency matters.

The National Benefit Fund is launching an "Emergency Rooms are for Emergencies" campaign to work with both providers and 1199SEIU members on appropriate emergency room use. We will also undertake an analysis of our claims to ensure that the Fund is not reimbursing non-emergency claims at emergency rates. If you'd like to find out how your hospital compares, please contact Fred Hagen, Chief Benefits Officer, at (646) 473-6950.



CCF Founding Director On the Move

Carol Joyner, Executive Director of the 1199SEIU Child Care Fund since its founding 13 years ago, is resigning to move with her family to Washington, DC. Ms. Joyner has agreed to a continuing relationship with the Fund and will stay on until a new Executive Director is hired.



Together, we have built a unique institution that has no equal

As the Fund's founding director, Ms. Joyner was integral in developing its mission, menu of services and benefits, and operating procedures. Since 1992, she has worked closely with the institution-based Child Care committees of 1199SEIU members to grow the Fund's programs. Together, they have expanded the Fund's reach from serving 250 children to over 12,000 children per year. Some 400 healthcare employers currently contribute to the Fund.

Under her leadership, the CCF created two NAEYC (National Association for the Education of Young Children) accredited, childcare facilities — the 1199SEIU Future of America Learning Centers — several school-aged programs that operate during the holidays, summer and on weekends, and cultural arts programs for youngsters.

"We are very proud of the Child Care Fund and have been fortunate to have Carol Joyner as its director. Together, we have built a unique institution that has no equal," said Bruce McIver and Dennis Rivera, CCF co-chairs. "Carol has built a solid foundation that we hope to build on in years to come. We wish her only the best in the future." Mr. McIver and Mr. Rivera are conducting a national search for a new Child Care Fund director.

Many 1199SEIU Employees Register for Childcare Programs

The Child Care Fund kicked off its registration drive on September 10th and registered 10,939 members for all of the available programs for the coming year — vouchers, summer day camp sites, child care learning centers, holiday programs, Saturday cultural arts programs, and more. Registration ran through November 5th. Eligible members received registration information in the mail, registered in person or online at www.1199ccf.org.



Training and Upgrading Fund Conference is "Making New York Healthcare Ready"

**For more information
about the conference or
to get materials contact
Ernestine White
(212) 894-4394 or
(212) 494-0585**

The Training and Upgrading Fund secured significant funding to help our institutions prepare healthcare workers for Disaster Readiness and meet CLAS guidelines. A cornerstone of these initiatives is a conference that was held October 24 and 25 entitled Making New York Healthcare Ready. Already working with a number of institutions on both of these pressing issues, the TUF conference was an important step toward sharing the best practices and expanding these valuable programs citywide.

The first day of the conference focused on HAZMAT (Hazardous Materials Safety) training to prepare 1199SEIU healthcare workers to handle crisis situations, including bio-terrorism, to better protect themselves and your patients. This training was based upon current programs the Fund has piloted with 1199SEIU League institutions including Flushing Hospital, Long Island College Hospital, and Kingsbrook Jewish Medical Center.

And with the need for medical interpreters in New York City hospitals becoming more urgent, day two of the conference focused on methods and the best practices for bringing hospitals into compliance with CLAS standards. Topics included training bilingual staff and providing patient materials in multiple languages, as well as understanding cultural differences that affect patients' attitudes toward healthcare.

Growing Our Own RNs

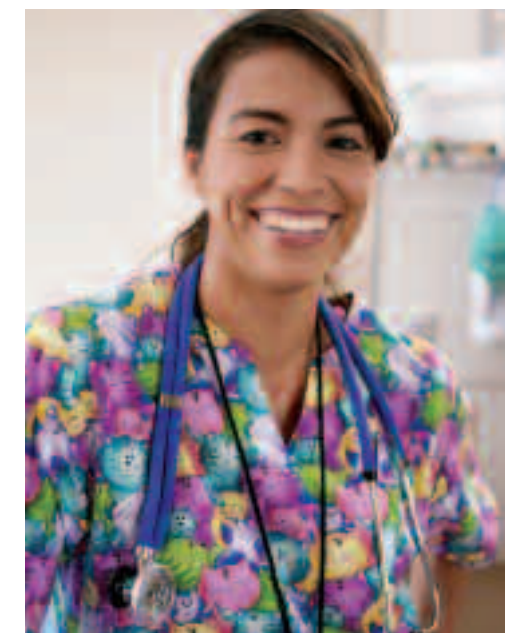
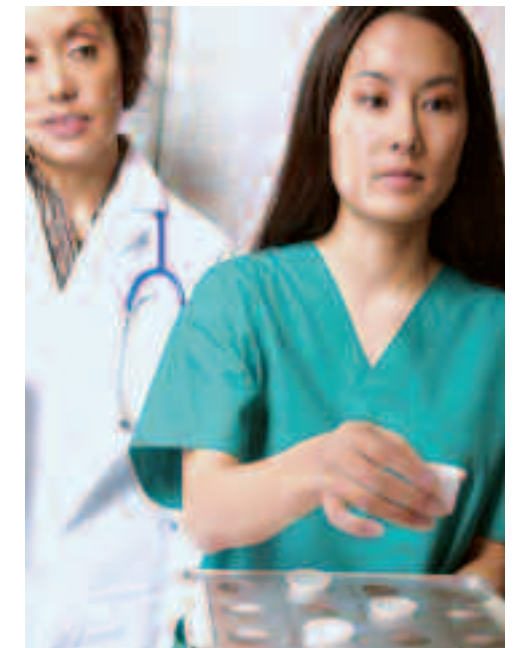
League employers seeking well-trained employees with institutional experience and loyalty need look no further than their own workforce. By providing educational opportunities and training for your employees you are not only strengthening worker satisfaction and loyalty, but also helping to fill critically needed shortage positions.

The experience of our Training and Upgrading Fund demonstrates that everybody wins:

- 65% of members seeking TUF services express interest in a nursing career.
- 25% of CUNY RN graduates over the last five years were 1199SEIU members.
- Since 2003, 100% of all RN and LPN graduates passed the NCLEX exam; of these, 91% of the LPNs and 98% of the RNs were upgraded.
- Overall 99% of degree recipients stayed with participating employers and 80% remained with the employers they worked for at onset of education.

Workers who use tuition assistance to earn degrees demonstrate extraordinary perseverance and dedication to their studies, on average completing their degrees in a shorter period than adult students nationwide. In 2006, 745 trained 1199SEIU members will graduate from our RN program ready for employment in League institutions, a significant increase over previous years. **One last fact — the average age of participants in TUF programs is late 30s, and the average tenure with employers is 11 years.**

As one former CNA who became a nurse said, "I chose nursing. I feel a sense of satisfaction helping others, knowing because of what I did they are much better." Her feelings are shared by Martha Wiggins, the Education Manager who coordinates the Fast Track program at Continuum Health Partners, who adds, "It's a real testament to the Training and Upgrading Fund that our participants have soared academically and can develop their individual interests, which often leads to joining challenging areas like oncology and forensics as RNs. TUF nurses show a deep commitment to nursing and more, to healing."



Fighting Infections PROTECTING OUR PATIENTS

In collaboration with the Union, GNYHA and the League representatives, the 1199SEIU Funds will launch a new industry-wide campaign to combat the recent disturbing publicity regarding alarming rates of hospital infections. This extensive campaign will address the issue head-on and position 1199SEIU employers, the Union and our Funds at the forefront of patient protection.

The National Benefit Fund will incorporate the campaign theme into their general communications with members, as well as develop new educational communications. Other outreach opportunities are also under consideration, including using our Labor-Management Project (LMP), which specializes in developing the employer-union partnership in the hospitals, to host a major conference on "Protecting Our Patients' Health". Communication with our patients is a key component of the initiative, and may take the form of ad campaigns in all the major dailies in New York City, Long Island and Westchester.



Keeping Our Pensions Strong...While Others Are Losing Theirs

The news is filled with grim stories about working Americans losing pensions they've labored for years to obtain. The most recent and largest disaster is that facing the tens of thousands of airline employees who believed that they would be able to retire with security.

Fortunately, the 1199SEIU Pension Fund is in excellent shape, bucking the national trend. We now have more than \$7 billion in reserves. And thanks to a 13.3% return on our investments, in 2004 1199SEIU employers (who are already enjoying a reduced pension contribution this year pursuant to the Collective Bargaining Agreement) can look forward to stability in future years.



Helping Hospitals Meet CLAS Standards

The 1199SEIU Training and Upgrading Fund has brought together labor and management representatives at seven of our institutions* in a groundbreaking partnership to help remove the language and cultural barriers that many of our patients face through medical interpretation and cultural sensitivity training. Through our Training and Education Committees, we are helping our health care system meet the new Culturally Linguistic Appropriate Standards (CLAS) guidelines released last May by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO). Our efforts will help ensure that our patients in this remarkably diverse city have equal access to the care they deserve.

Currently, the committees are developing and implementing a range of programs to bring their institutions into compliance with the CLAS guidelines. The partnerships ultimately will improve the quality of our institutions' services and patient care. Next steps include a conference on expanding CLAS initiatives in hospitals (see "Making New York Healthcare Ready") and developing tools to measure their effectiveness and identify opportunities for improvement.

Through our Training and Education Committees, we are helping our health care system meet the new Culturally Linguistic Appropriate Standards (CLAS) guidelines . . . Our efforts will help ensure that our patients in this remarkably diverse city have equal access to the care they deserve.



*** These seven institutions are part of a partnership dedicated to removing the language and cultural barriers facing many patients:**

Brooklyn Hospital
Brookdale Hospital
Flushing Hospital
Jamaica Hospital
Kingsbrook Jewish
Lutheran Hospital
Maternity Infant Care (MIC)