



June 18, 2025

At today's bargaining session with Doctors Council SEIU for Primary Care and Urgent Care, we continued our discussions regarding economics as well as some open non-economic items, including definitions of full-time and part-time and on-call duty.

Economic proposal:

When the union first introduced its economic proposals, it described them as aspirational. Although the union has made some changes, the aspirational nature, best demonstrated by the base salaries, has not changed.

- For Primary Care physicians, the union is proposing a base salary above the 75th percentile to start and the 85th percentile after five years.
- For APPs, the proposed base salary is above the 90th percentile to start (the union's proposal for APPs is 85% of physician compensation).

This does not include the union's proposed production income, additional "proxy" RVUs, annual bonus, quality bonus, and enhancements to every other economic term of employment (e.g., insurance, retirement, CME, time off, etc.).

With the union's proposal so far beyond what is realistic, we needed to start conservatively. Since the beginning, we have said we would like to meet in the middle. Today, we shared an updated version of our economic proposal, which includes:

- An increase in base salary for Primary Care providers from our previously proposed 25th percentile to the 30th percentile of Total Cash Compensation in the provider's specialty while continuing to provide additional compensation with production earnings.

The union's current economic proposal is not sustainable, especially considering the current financial environment. We need to come to a reasonable common ground that enables us to continue to care for our community well into the future.

Non-economic proposals:

- **On-call duty:** When providers are on-call, they sometimes inadvertently get calls that should be directed to specialists or other providers in the organization. We have committed to maintain a workflow for those calls to get re-routed, but we are not going to put that workflow in the contract. It may need to change from time-to-time, and we need the flexibility to adapt. We are finalizing an updated process that we plan to share with providers soon.
- **Facilities:** We remain dedicated to providing safe and secure facilities for our Care Team Members and patients. Due to the nature of some of our clinics, we are unable to control or make modifications to areas outside the building (i.e., parking ramps that Allina Health does not own).

Financial sustainability

Allina Health posted May financial results this week, further reflecting our concerning financial situation. Last month, we posted an operating loss of \$28.1 million, compared to a planned loss of \$15.8 million. Our expenses continue to significantly outpace our revenues, which is not sustainable.

Incremental expenses, including salaries and benefits as well as supplies and drugs, are far outpacing our incremental revenue. We also continue to face rising costs, lower reimbursements for care and significant uncertainty about cuts to Medicaid and other federally funded programs. We must reach responsible economic agreements so we can continue providing exceptional care to our communities well into the future.

Next steps

Our next bargaining session is on Monday, June 30, and we will keep you updated. Thank you for delivering compassionate care to our patients and communities.