



**Aug. 28, 2025**

In today's bargaining session with Doctors Council SEIU, we presented a counter to the union's initial comprehensive economic proposal. Nothing in the union's aspirational proposal appears to be market-based, which the union acknowledged in today's session.

As we approach these economic discussions, we must stay within the boundaries of Fair Market Value (FMV). It is crucial that Allina Health follows regulatory principles that ensure we pay our providers appropriately. FMV serves as a standard, ensuring that compensation is set at a level that reflects the true value of the services provided, preventing both underpayment and excessive payment. This adherence to FMV helps maintain Allina Health's non-profit health system status, protects the integrity of our compensation and ensures transparency and fairness.

Our initial economic proposal is grounded on market-based compensation consistent with FMV and replicates our current compensation structure. We proposed maintaining the compensation plans in place at the contract's effective date through the duration of the contract. The proposal also specifies the compensation plan that applies to each specialty and includes a mechanism for annually adjusting the compensation rates in each plan with the market.

Many of the physicians in the bargaining unit work in multiple Allina Health facilities, and we think it is important that their compensation plan is consistent across the system. We are also not interested in creating administrative complexity that would come with compensation varying by the site.

We acknowledge that the compensation targets (i.e., market percentiles) are lower than we have used in the past; however, our proposal is intentionally conservative. First, given the financial realities facing our organization, we need to be thoughtful about using our limited resources. Second, given the union's outrageous starting point, we need room to negotiate to a reasonable and sustainable agreement. As we explained to the union, that means compensation levels that are about where they are now. We understand that the union likely made significant promises to its members about increased compensation, which are reflected in the union's proposal. While we have no intention of decreasing our physicians' compensation, it is also important to set realistic expectations.

At the end of the day, the union offered minor modifications to its compensation article, which we plan to respond to at a later date.

### **Next steps**

Our next session is Thursday, Sept. 11, and we will continue to share updates throughout the bargaining process. Thank you for all you do for our patients and communities.