

Modern Healthcare

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Prime Healthcare settles with union workers, agrees to \$458,000 in backpay

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Modern Healthcare Illustration / Getty Images

Prime Healthcare agreed to shell out backpay and offer jobs to employees laid off during an organizing drive last summer.

Prime Healthcare [has settled](#) with the Service Employees International Union Local 121RN over allegations that it laid off workers engaged in organizing activity.

The union filed charges to the National Labor Relations Board over alleged unfair labor practices after Prime last summer [laid off all of the workers engaged in organizing activity](#) at Encino Hospital Medical Center in California. The affected employees included social workers, case managers, dieticians, clinical lab specialists and pharmacists.

In the settlement agreement, Prime Healthcare agreed to pay \$457,781 in backpay plus interest to the 22 affected employees, as well as offer those employees their jobs — or equivalent jobs — back. The company also agreed to bargain with the union at its request, according to the filing.

In a prepared statement, Prime said it "denies any violation of the (National Labor Relations Act) but will comply with the terms of the settlement."

"We appreciate our front-line healthcare workers and will continue to fully support them as we face down this pandemic and in the future," Prime said.

At the time of the layoffs, Prime said it had been able to retain more than 99% of its employees without reductions or furloughs during the pandemic and noted that "Encino is a small community hospital that Prime saved from closure 12 years ago." The company attributed the layoffs to the COVID-19 pandemic and a need to consolidate certain areas with a sister hospital in Sherman Oaks, Calif..

Prime Healthcare and Prime Healthcare Foundation employ nearly 40,000 staff and operate 46 acute-care hospitals in 14 states.

Inline Play

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