



HOME CARE BACKGROUND

Home care in Ontario is delivered by community care access centres (CCACs), which are administered by 14 regional Local Health Integration Networks. But the actual delivery of home care to the sick, elderly and disabled is determined by a competitive bidding process, whereby the the government contracts out home care to private, often for-profit, companies. Contracts have often been awarded to companies with no experience in the communities, no offices and none of the front-line staff who actually provide the service if the company is awarded the contract. Government has argued that competitive bidding has cut down the high costs of providing long-term, quality home care. Just the opposite is true. A study found that the cost to each service provider of preparing to bid on a contract is \$30,000 alone. Another study found that competitive bidding took up 19.4% of a nursing agency's expenses. The funding for home care now goes through 4 levels of administrative costs. This process has not brought innovation to the home care sector. The problems with competitive bidding became so severe that the government was forced to suspend the contracting out process at the end of 2004. But the Liberal government didn't give up on the competitive bidding process. Instead it continued to trap workers and clients in a bidding war that has compromised care and working conditions.

Insecure and unstable employment: Benefits, pensions, stable working hours and travel coverage are weak in the home care sector. Currently minimum wage for personal service workers (PSWs) is approximately \$12 per hour. That's \$6 an hour less than what they would earn in a hospital or long term care facility. Home care workers often travel many miles between clients and are not compensated for their travel time or for any of their gas mileage.

High turnover rates: A Ministry of Health study found that 57% of home care workers surveyed changed jobs over a 12 month period. Many home care workers earn little over \$12.50 per hour and have found they can earn more working in fast food. The top three reasons why home care workers leave their jobs are lack of job security, low wages and low benefits. Furthermore, in the competitive bidding process workers can lose their jobs, collective agreement, seniority, and all benefits gained over years.

Lack of continuity of care: These high turn-over rates have a dramatic impact on the quality of care clients receive. Each time a contract is lost, clients face a change of caregivers and the manner in which their service is delivered. Home care is intensely personal and unique to each individual. The changing of care providers impacts clients in many clinical and emotional ways.

Soaring profits: While workers work long hours at minimum wages with few benefits, transnational corporations are making ever-increasing profits. In some cases, the competitive bidding process has allowed for-profit corporations to displace not-for-profit providers.

Government inaction: Compulsory contracting out of home care services was introduced by the Mike Harris Conservative government in the mid-1990s. This was part of a drive to skim profits from public health care dollars. The problems with competitive bidding became so severe that the government placed a moratorium on competitive bidding at the end of 2004. The Liberal government re-opened the competitive bidding process in 2007 to a huge public outcry. Right after the contracting out was re-started, Hamilton lost its not-for-profit home care providers. The Liberal government was forced to again suspend the bidding process, but only temporarily. Despite the crisis facing home care workers and clients, government has decided to re-open contract bidding.

A system in crisis: The best course for the government is to end the competitive bidding process. Such a move would stabilize the home care environment for both workers and care recipients, enhance quality, accountability, and reduce administrative costs.