



November 4, 2020

The Honourable Justice Frank N. Marrocco  
Lead Commissioner  
Ontario's Long-Term Care COVID-19 Commission  
24th Floor 700 Bay Street  
Toronto, ON M5G 1Z6  
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### **Submission to Ontario's Long-Term Care COVID-19 Commission**

To Associate Chief Justice Marrocco and co-commissioners:

We are writing to share our recommendations on systemic issues in Ontario's long-term care (LTC) sector in the hope that you will include them in your report to the Ontario government.

ONN is the independent nonprofit network for the 58,000 nonprofits in Ontario, focused on policy, advocacy and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy. We work to create a public policy environment that allows our network of diverse nonprofit organizations across Ontario to work together on issues affecting our communities and channel the voices of our network to governments, funders, and other stakeholders.

#### **Introduction and summary of recommendations**

We know you have been hearing from many in the LTC sector about the overwhelming challenges they have had keeping their residents and staff safe from COVID-19 as well as their long-standing problems with staffing and operations. We leave the details of those issues to LTC stakeholders who have intimate knowledge of the issues and challenges.

In our submission, we want to draw your attention to the more systemic issues around care services. Addressing the operational challenges without tackling the larger systemic issues will condemn Ontario's LTC sector to repeat the mistakes of the past. By contrast, tackling these deep-rooted systemic issues will ensure that sectoral reforms accomplish their goals and could set a positive precedent for other parts of the care economy in Ontario. We wish to bring two systemic issues to your attention.

1. The commission cannot avoid the foundational question of whether private profit belongs in long-term care services. *It is our position that care sectors (long-term care, child care, services for people with developmental disabilities, etc.) must operate without profit and*

*that the participation of for-profit owners/operators in Ontario's long-term care system must therefore be phased out.*

2. The commission must address the quality of jobs in the LTC sector- public, private, and nonprofit- as a crucial factor in ensuring the quality of care. It is no coincidence that care-work in this sector is overwhelmingly performed by women, many of whom are women of colour and/or immigrants, and that wages are low and tenure often part-time, despite this work being highly demanding, both physically and emotionally. *It is our position that care-work must be "decent work," i.e., that care workers should be more highly valued and compensated, rather than forced to piece together a living from multiple, low-paid, part-time jobs.*

The role of profit in the LTC system and the devaluation of care workers are both long-standing challenges in Ontario. The pandemic brought these issues to the public's attention but did not cause them. One bright spot in this pandemic is your LTC Commission. You have been charged with addressing what has gone wrong. We urge you not to focus solely on pandemic preparedness but to take a broader view and address the underlying systemic issues of private profit and the undervaluing of care work in the LTC sector. You have a unique opportunity to make recommendations that would strengthen and improve services for seniors, create better choices for seniors and their families, and achieve better outcomes for public dollars.

### **Nonprofit vs. for-profit service delivery models**

In Canada, governments and nonprofits have traditionally engaged in partnerships to build and operate social infrastructure. Community assets, such as hospitals, seniors' homes, childcare centres, and supportive housing, serve people locally and are accountable to communities through their volunteer boards of directors. Nonprofit services are rarely sold and remain in their communities providing services, often for decades.

Since the 1990s, however, this nonprofit care system has been eroded in numerous service delivery areas. Large, for-profit chains have persuasively presented themselves as better-positioned to provide these local services and better-financed to build and own the facilities that house them. Nowhere has this been more visible than in Ontario's LTC sector, where a majority of homes are for-profit. The consequences for Ontario's seniors during the pandemic have been devastating, with for-profit status associated with more severe outbreaks in LTC homes and a disproportionate number of COVID-related deaths. Peer-reviewed studies have linked for-profit status -- and especially chain ownership -- as a major risk factor.<sup>1</sup>

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<sup>1</sup> See for example Nathan M. Stall, Aaron Jones, Kevin A. Brown, Paula A. Rochon and Andrew P. Costa, "For-profit long-term care homes and the risk of COVID-19 outbreaks and resident deaths." Canadian Medical Association Journal (CMAJ). August 17, 2020. <https://www.cmaj.ca/content/192/33/E946>

For-profit companies offer governments the promise of ready capital, greater efficiencies, cheaper services, and reduced governmental risk. Unfortunately, these promises are too good to be true. Private companies pay more for capital than governments who have better borrowing capacity, so construction is more expensive, as numerous auditors have pointed out.<sup>2</sup>

The bigger problem, however, has turned out to be ownership. In numerous jurisdictions, companies buying, selling, and leveraging (loading up with debt) LTC homes has left governments without facilities they have been paying to finance and maintain over the years -- and so the government ends up paying twice.<sup>3</sup> Years of operating funding as well as any capital investments are never recouped by the public treasury when the asset is sold. For-profit ownership leaves LTC homes vulnerable to foreign takeovers which can threaten both the quality of care and the quality of jobs -- and create the risk of home closures if they are not sufficiently profitable.<sup>4</sup>

The promise of greater efficiency comes at a significant cost to high quality care. In the context of COVID-19, ensuring profitability has meant cutting back on maintenance, cleaning, and supplies, including personal protective equipment (PPE).<sup>5</sup> The Canadian Armed Forces unit that provided emergency support to five Ontario LTC homes reported that PPE and essential supplies for resident care were rationed while premises were filthy, cockroach infested, and lacked air conditioning.<sup>6</sup> During the first three months of the COVID crisis, three of the largest for-profit LTC chains in Ontario paid out \$58 million in dividends to shareholders.<sup>7</sup>

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<sup>2</sup> Office of the Auditor General of Ontario. "Public-private Infrastructure Projects Can Be Expensive, Auditor General Says." December 9, 2014.

[www.auditor.on.ca/en/content/news/14\\_newsreleases/2014news\\_3.05.pdf](http://www.auditor.on.ca/en/content/news/14_newsreleases/2014news_3.05.pdf)

<sup>3</sup> Simon Goodley. "Southern Cross care fiasco sheds light on secretive world of private equity." The Guardian. June 3, 2011.

<https://www.theguardian.com/business/2011/jun/03/southern-cross-care-private-equity>

<sup>4</sup> Steven Chase. "No pledge to create new Canadian health care jobs in Chinese takeover." Globe and Mail. February 22, 2017.

<https://www.theglobeandmail.com/news/politics/no-pledge-to-create-new-canadian-jobs-in-anbang-deal/article34116476/>

<sup>5</sup> Pat Armstrong, Hugh Armstrong, Jacqueline Choiniere, Ruth Lowndes, and James Struthers.

"Re-Imagining Long-term Residential Care in the Covid Crisis." Canadian Centre for Policy Alternatives. April 2020.

<https://www.policyalternatives.ca/sites/default/files/uploads/publications/National%20Office/2020/04/Reimagining%20residential%20care%20COVID%20crisis.pdf>

<sup>6</sup> Joint Task Force (Central), 4th Canadian Division. "Operation LASER: JTFC Observations in Long-Term Care Facilities in Ontario." May 14, 2020. Four of the five care homes were for-profit, accounting for 95% (214) of the deaths in the five homes. The report is available at

<https://www.scribd.com/document/463109660/Op-Laser-Jtfc-Observations-in-Ltcf-in-On#download>

<sup>7</sup> Canadian Union of Public Employees. "End profit in long-term care, reinvest in more residents' supports and staffing across Ontario, urge advocates in new "CARE NOT PROFITS" campaign." July 23, 2020.

<https://cupe.ca/end-profit-long-term-care-reinvest-more-residents-supports-and-staffing-across-ontario-urge>

There is a direct link between the nonprofit business model (which invests all revenues into operations rather than paying a portion to shareholders), care-work wages, and the quality of service.<sup>8</sup> As Dr. Samir Sinha, director of geriatrics at Sinai Health and the health policy research director of Ryerson University's National Institute on Ageing, observes, nonprofit and municipal LTC homes, aside from ensuring revenues are directed to service rather than profits, often invest their own money or fundraise to improve their care.<sup>9</sup> Despite this clear and demonstrated value proposition, governments have tried taking an approach to LTC that is indifferent to corporate status -- "agnostic" about for-profit or nonprofit. It has tried imposing increasingly complex and multi-layered regulations to mitigate the tendency of for-profit care models to cut corners to generate profit for shareholders. The COVID crisis has shone a spotlight on the failure of this approach.

There is an approach to ensuring quality of care that is much easier than being "sector agnostic" and then regulating standards down to the last fifteen minutes of bathing time and type of breakfast served. The alternative is to change the DNA of the care system and remove the profit motive. Nonprofit care models put mission at the core. They eliminate the cost of profit, they benefit from community partnerships, and they leverage the contributions of donors and volunteers to provide far greater value for community members and governments. Nonprofits also have improvements to make, but they are built to put mission first, rather than profit. With community governance, they can be subject to pressure to improve -- but unlike corporate shareholders, they are not designed to put profit first. Like the rest of the care economy, the LTC sector should have care, and not profit, in its DNA.

### **Ensuring care work is decent work**

Our recent report "Resetting normal: Women, decent work and Canada's fractured care economy," (co-authored with the Canadian Women's Foundation and other partners)<sup>10</sup> is a study on the role of women in the care economy. Women make up the large majority of workers in the primary health care and LTC sectors. As many as nine in ten personal support workers (PSWs) are women. Our study outlines ways in which care work, as a women-majority sector, tends to be devalued, underfunded, and in need of "decent work" improvements, regardless of whether it is delivered under municipal, nonprofit, or private ownership. It is our position that this needs to be remedied if we are to ensure high-quality care in the LTC sector in future.

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<sup>8</sup> ONN, "Keeping human services in community hands: Why nonprofits deliver better." 2019. [https://theonnc.ca/wp-content/uploads/2020/06/Keeping-human-services-in-community-hands\\_-Why-nonprofits-deliver-better-June-2020.pdf](https://theonnc.ca/wp-content/uploads/2020/06/Keeping-human-services-in-community-hands_-Why-nonprofits-deliver-better-June-2020.pdf)

<sup>9</sup> Dr. Samir Sinha, quoted in Emily Paling, "Merrilee Fullerton's Past Health-Care Views Spur Questions Amid Pandemic." HuffPostCanada. Nov. 2, 2020. [https://www.huffingtonpost.ca/entry/merrilee-fullerton-ontario-covid-health-care\\_ca\\_5fa07f87c5b6128c6b5b8731](https://www.huffingtonpost.ca/entry/merrilee-fullerton-ontario-covid-health-care_ca_5fa07f87c5b6128c6b5b8731)

<sup>10</sup> Canadian Women's Foundation et al. "Resetting Normal: decent work and Canada's fractured care economy." July 2020. <https://theonnc.ca/wp-content/uploads/2020/07/ResettingNormal-Women-Decent-Work-and-Care-EN-1.pdf>

In the context of COVID-19, women workers have formed the first line of defence against illness, but they have been poorly supported to do so after decades of funding restraint. The Commission has had confirmation of the risks borne by these workers. As Dr. Sinha pointed out in his testimony, “We owe a debt to the 3,451 front line staff who have contracted COVID and the nine who have died caring for patients and trying to make ends meet.” He advised we have to find a new model of staffing in the future, such as paying staff in LTC homes the same rates as those in hospitals.<sup>11</sup>

The Ontario Personal Support Worker Association in their testimony before the Commission spoke to the lack of respect for the work their members do. PSWs went from being unregulated and ignored to being classified emergency workers but not given priority for PPE. The risks, the overwhelming care demands, and the precarious employment with low wages drove many from the field.<sup>12</sup>

Improving working conditions in care work almost entirely pays for itself, with greater labour force participation, tax revenues, program outcomes, and reduced carbon emissions compared to other sectors. Research in the UK and Australia has shown that investments in care work not only lift women workers, but also create a cascading positive impact across the economy and communities. Modelling from Australia shows that by investing in the care economy, increased tax revenue from increased labour market participation and indirect effects would offset 80 percent of the cost to the government.<sup>13</sup> Similarly, research from the UK forecasts that investing in care rather than construction would create 2.7 times as many jobs and increase overall employment rates by 5 per cent. Half the investment could be recouped by the Treasury in direct and indirect tax revenue, and the choice would produce 30 percent less greenhouse gas emissions.<sup>14</sup>

It is both essential and possible to improve the working conditions for LTC workers -- a move that would have the added benefit of reducing turnover in the system and its associated high cost.

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<sup>11</sup> Dr. Samir Sinha. Testimony to the LTC COVID-19 Commission. September 2, 2020. Transcript available at:

[http://ltccommission-commissionsld.ca/transcripts/pdf/Dr\\_Sinha\\_Transcript\\_Final\\_September\\_2\\_2020.pdf](http://ltccommission-commissionsld.ca/transcripts/pdf/Dr_Sinha_Transcript_Final_September_2_2020.pdf)

<sup>12</sup> Miranda Ferrier, President, and Ian DaSilva, Director of Human Resources, Ontario Personal Support Workers Association. Testimony to the LTC COVID-19 Commission. September 21, 2020. Transcript available at:

[http://ltccommission-commissionsld.ca/transcripts/pdf/Ontario\\_Personal\\_Support\\_Workers\\_Transcript\\_Final\\_September\\_21\\_2020.pdf](http://ltccommission-commissionsld.ca/transcripts/pdf/Ontario_Personal_Support_Workers_Transcript_Final_September_21_2020.pdf)

<sup>13</sup> National Foundation for Australian Women. “Press release: NFAW independent modelling shows Economic Boost from increased funding in the CARE SECTOR.” October 19, 2020.

[https://nfaw.org/news/nfaw-independent-modelling-shows-economic-boost-from-increased-funding-in-the-care-sector/?fbclid=IwAR1eY3KDD037cA9fIRKzbgAxyR8\\_7G58fU6UJ1TrZimEfMutQ2fFxQ-tAOQ](https://nfaw.org/news/nfaw-independent-modelling-shows-economic-boost-from-increased-funding-in-the-care-sector/?fbclid=IwAR1eY3KDD037cA9fIRKzbgAxyR8_7G58fU6UJ1TrZimEfMutQ2fFxQ-tAOQ)

<sup>14</sup> Women’s Budget Group (UK.) “A Care-Led Recovery from Coronavirus.” June 30, 2020. Report available at: <https://wbg.org.uk/analysis/reports/a-care-led-recovery-from-coronavirus/>

Unless there is a reset of how care work is valued and compensated, staffing issues in care homes will remain unresolved. We urge the Commission to address these systemic issues in their recommendations.

## **ONN's recommendations to the Commission for inclusion in its report to the Ontario Government**

*Recommendation #1: Phase out for-profit long-term care in Ontario.*

- a. Design a phase out of for-profit homes over time through the transfer of licenses to nonprofit and municipal providers. Gradually phase out funding to for-profit homes.
- b. Any capital funding provided by government to for-profit homes must be tied to the property and repaid to government with capital appreciation in the case of a sale.
- c. Create a first-right-of-refusal for nonprofits and municipalities when a for-profit LTC home is sold.
- d. Establish a revolving loan fund to assist municipalities and nonprofits buy for-profit long-term care homes or build new homes.
- e. Cap dividends paid by for-profit homes receiving government operating funding. Monitor debt refinancing to ensure LTC assets are not leveraged for profit.
- f. Place a moratorium on for-profit LTC home creation or expansion; invest in municipal and nonprofit community alternatives instead. Encourage innovation in design that empowers and enhances the quality of life of residents, such as co-operative multi-stakeholder governance<sup>15</sup> and smaller, home-like settings supported by a backbone of shared services intermediaries.

*Recommendation #2: Reform the system to ensure that care work is decent work.*

- a. Value the work of frontline workers fairly based on skill, effort, responsibility, and working conditions. Pay PSWs and others working in LTC at a rate that is commensurate with wages in the same or similar roles in other sectors such as hospitals. In other words, ensure that pay-scales reflect the principle of "equal pay for work of equal value" to raise the floor for this women-majority sector. .
- b. Ensure care work is decent work. Reform funding and staffing models to ensure that most workers in frontline jobs have full time jobs with benefits. Paid sick days and extended health benefits should be offered to full- and part-time staff.

## **In conclusion**

ONN has shared our perspectives with your Commission to bring attention to the importance of the nonprofit vs. for-profit business model as a critical factor in the availability of both decent working conditions for workers and quality care for vulnerable seniors. We have also emphasized

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<sup>15</sup> Pat Conaty, "Social Co-operatives: A Democratic Co-production Agenda for Care Services in the UK." UK Co-operatives. 2014.

[https://www.uk.coop/sites/default/files/uploads/attachments/social\\_co-operatives\\_report1\\_0.pdf](https://www.uk.coop/sites/default/files/uploads/attachments/social_co-operatives_report1_0.pdf)

the gendered care workforce and their justified demands for a reform of the funding and staffing model in LTC. The nature of the challenges in LTC facilities that have surfaced during the COVID-19 crisis requires a serious examination of systemic issues in this sector. Because a disproportionate number of COVID-19 outbreaks have been in for-profit institutions, resulting in large losses of life, the question of whether profit should continue to have a place in care delivery warrants close attention.

Thank you for giving serious consideration to our recommendations, alongside those from the voices of long-term care residents, their families, nonprofit service providers, and paid and volunteer care-giving staff. We look forward to your final report and to the Ontario Government taking action on this important issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cathy Taylor', written in a cursive style.

Cathy Taylor  
Executive Director