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Submission to Safe Long-Term Care Act Consultation

To the Home and Long-Term Care Unit:

We are writing to share our recommendations on how the Safe Long-term Care Act could address systemic issues in Ontario's long-term care (LTC) system that also exist in other provinces.

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 leave the details of LTC operations with those directly involved in LTC and to care receivers. In our submission, we want to draw your attention to how profit-based operating models that emphasize minimizing investments in care and care providers pose a direct challenge to accomplishing the Government of Canada's stated objectives in creating a Safe Long-term Care Act (SLTCA). We therefore recommend that the SLTCA:

1. Take numerous steps to move towards a purely public and non-profit system.
2. Make federal funding conditional on provinces and territories enforcing quality standards embodied in provincial legislation sufficiently to disincentivize LTC providers from engaging in predatory business practices.
3. Make funding available to ensure that all positions within LTC providers are "decent work".

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. As noted in the [SLTCA Discussion Paper](#), now long-term care in Canada is delivered by a mix of public, nonprofit and for-profit providers. 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 disproportionate COVID-related deaths.¹

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.²

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.³ 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.⁴

The promise of greater efficiency comes at a significant cost to quality of care. In the context of COVID-19, ensuring profitability meant cutting back on maintenance, cleaning, and supplies, including personal protective equipment (PPE).⁵ The Canadian Armed Forces unit that provided emergency support to five Ontario LTC homes reported that PPE and essential supplies for

¹ 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>

² 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

³ 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>

⁴ 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/>

⁵ 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>

resident care were rationed while premises were filthy, cockroach infested, and lacked air conditioning.⁶ 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.⁷

Nor was this behaviour due to crisis times. Many for-profit providers fail to meet even the current laws in place, because though the Ministry of Long-Term Care repeatedly finds violations,⁸ it does not apply meaningful penalties capable of disincentivizing these profit-motivated infractions. Whatever standards the SLTCA set out will be meaningless if no one enforces them.

The Nonprofit Difference		
	Nonprofits	For profits
Purpose	Nonprofits exist to meet a need for a public good/benefit. Decisions must be made prioritizing this community need. As a result, a systems approach can be taken that finds, and fills the gaps in our province.	Businesses exist to make profit, while this can incentivize initial capital investments, higher quality or quantity of services, it can also incentivize lower quality or quantity services where doing so is more profitable. It is rarely profitable to serve the most complex needs.
Governance	Nonprofits are accountable to community members, and a volunteer board of directors. This helps ensure accountability and responsiveness to those served locally, and beyond.	Businesses are accountable to shareholders who are unlikely to have any ties to the community or needs. If Governments do not disincentivize compliance, there may be little incentive to meet basic standards.
Ownership	Revenues are reinvested in services, and assets must remain in the hands of a	The maximum amount of revenue possible goes to shareholders, and key

⁶ 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>

⁷ 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-urg>

⁸ Karen Howlett, Ontario's proposed long-term care fines 'toothless,' critics say. Globe and Mail. Nov 1, 2021.

Available at:

<https://www.theglobeandmail.com/canada/article-ontarios-proposed-long-term-care-fines-toothless-critics-say/>

	registered charity if the nonprofit dissolves by giving to other nonprofits or government.	infrastructure may be sold at any time if it is profitable to do so. Profits may flow out of the province/country.
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With \$1.00 of investment, nonprofits generate up to \$2.18 in GDP impact, \$1.76 in employment income impact, and with an output of every million dollars 1.5 in job creation.⁹ This is quite similar in magnitude to many other industries in Ontario.

Where Statistics Canada data can be segmented by industries that consist of both for-profits and nonprofits, the data indicates that investment in a nonprofit yields greater benefits to communities than a for-profit entity.¹⁰

Ensuring care work is decent work

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. As a result 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.¹¹ Over the past year, unfilled job vacancies have shot up in Canada by 53 per cent in hospitals, and 49 per cent in nursing and residential care facilities.¹² It is our position that this needs to be remedied if we are to ensure high-quality care in the LTC sector in future.

In the context of COVID-19, women workers formed the first line of defence against illness, but they were poorly supported to do so after decades of funding restraint. As Dr. Sinha pointed out in his testimony to Ontario’s Long-term Care COVID-19 Commission (“Commission”), “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.¹³

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

⁹ Elizabeth Dhuey. “The Economics of the Nonprofit Sector in Ontario.” 2022.

¹⁰ Elizabeth Dhuey. “The Economics of the Nonprofit Sector in Ontario.” 2022.

¹¹ 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>

¹² Statistics Canada. “Job vacancies, first quarter 2021.” June 22, 2021.

<https://www150.statcan.gc.ca/n1/en/daily-quotidien/210622/dq210622a-eng.pdf?st=25a1SZ98>

¹³ 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

percent of the cost to the government.¹⁴ 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% less greenhouse gas emissions.¹⁵

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. Unless there is a reset of how care work is valued and compensated, staffing issues in care homes will remain unresolved.

ONN would like to see the following changes in the LTC sector and how Government supports and regulates it

Recommendation #1: Adopt the goal of moving towards a public and non-profit system.

- Design a phase out of for-profit homes over time through incentivizing provinces and territories to transfer licenses to nonprofit and municipal providers. Gradually phase out federal funding to for-profit LTC homes.
- Any capital funding provided by government to for-profit homes must be on security and repaid to government with capital appreciation in the case of a sale.
- Work with provinces and territories to create a first-right-of-refusal for nonprofits and municipalities when a for-profit LTC home is sold.
- Establish a revolving loan fund to assist municipalities and nonprofits to buy for-profit long-term care homes or build new homes.
- Cap dividends paid by for-profit homes receiving government operating funding. Monitor debt refinancing to ensure LTC assets are not leveraged for profit.
- Fund innovation in design that empowers and enhances the quality of life of residents, such as co-operative multi-stakeholder governance¹⁶ and smaller, home-like settings supported by a backbone of shared services intermediaries.

Recommendation #2: Discourage artificially profitable LTC providers from remaining in the market by:

- a. Making federal funding conditional on provinces and territories enforcing quality standards embodied in current provincial legislation sufficiently to disincentivize LTC providers from engaging in predatory business practices.

¹⁴ 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-tAQQ

¹⁵ 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/>

¹⁶ 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

Recommendation #3: Reform the system to ensure that care work is decent work.

- Value the work of frontline workers fairly based on skill, effort, responsibility, and working conditions. Provide supportive funding to ensure PSWs and others working in LTC are paid 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.
- 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.
- Support labour force planning at the national level
- Establish simplified immigration pathways for care work that ensures care workers are fully legally protected every step of the way.
- Grant permanent residence status to all migrant care workers who are currently in Canada, including migrant care workers who have become undocumented.

In conclusion

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 legislation that has the potential to reverse decades of systemic issues in a sector that couldn't be more vital to the future well-being of Canada's ageing population.

Sincerely,



Cathy Taylor
Executive Director