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Hundreds of Millions in Home Care Funding Going to Profit, Duplicate Administration, and ‘Impossibly Complex and Bureaucratic’ Home Care System: Auditor’s CCAC Home Care Report

Backgrounder: Key Findings of the Auditor

Among the Ontario Auditor’s findings in today’s report:

Of \$2.4 billion in public funding for CCACs, 62% is given to private companies contracted to provide home care services, amounting to approximately \$1.5 billion per year. Of this, according to the companies themselves, 82% is spent on front-line staff. This means that 18% is taken for profit and administration. This amounts to \$267.8 million a year paid to the 160 duplicate home care companies across 14 CCACs for their profits and overhead. These costs are doubly redundant as the CCACs already have their own administrations on top of the contracted provider company administrations. This calculation understates the impact of the contracting-out structure as it does not include the money CCACs spend on overseeing contracts, negotiating contracts, and monitoring the reporting of contracted companies, but it does show that vast resources are being taken away for profit and redundant administration.

Although the \$1.5 billion in money spent by contracted home care companies comes from Ontarians through our taxes, the Auditor has no power to audit the companies’ financial records to verify their numbers. In fact, according to the Auditor, the private companies report billing CCACs rates for nurses ranging from \$58.20 to \$70.60 and rates for PSWs ranging from \$29.50 to \$48.98 per hour. Yet home care nurses are often paid about \$30 per hour and PSWs often make around \$15. For both nurses and PSWs, these numbers indicate that the likely difference between what the company bills and what it pays its employees might be as big as 50%. (This is important because severe shortages of staff mean that care visits are frequently missed and turnover of staff is extremely high, further compromising quality of care.) So the claim that the companies are spending 82% of their funding on direct care is questionable. These numbers indicate that much less is actually making it to the front-lines. Ontarians cannot access financial information and contracts from these companies as they are excluded from Access to Information Legislation.

The complexity of the system is further evidenced in the Auditor’s finding that there are four tiers of administration over home care before any funding at all reaches the front-lines of patient care. The Ministry of Health, the Local Health Integration Networks, the Community Care Access Centres and the contracted provider companies all have administrations through which funding must flow before reaching actual caregivers.

There are more than 260 contracts with approximately 160 home care companies to provide nursing, therapies and personal support. According to the Auditor, a 2013 review by the Ontario Association of Community Care Access Centres found that there are 14,000 contracted rates over 94 different service categories in these contracts.

The Auditor also reported on important findings regarding inequity in funding for care and inadequate measures of care, although there have been some improvements in attempts to measure care delivery and quality of care:



Funding per home care client continues to vary widely across the province and contracts do not have standardized rates.

Clinical care protocols vary widely from CCAC to CCAC and among the provider companies.

Key outcomes, such as re-admission to hospitals, are not measured. (The OHC received frequent complaints about people forced to be discharged from hospital when they are very frail, due to the hospital cuts. After inability to access home care or inadequate home care, or simply because they are discharged too early, they end up back in hospital.)

Wound care, which has been privatized to so-called “home care” clinics, has not met expected performance standards and these outcome pathways have been discontinued. (The OHC has received complaints about poor quality and lengthy travelling distance to these clinics which have privatized and fragmented formerly integrated public hospital care.)