



September 23, 2015
For Immediate Release

Attn: Assignment Editor

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

Health Coalition Calls for Streamlined Public Home Care System Raises Questions About Lack of Transparency in Contracted Home Care Companies

Toronto – Ontario’s Auditor General released a thorough and thoughtful review of the Community Care Access Centres (CCACs) that reveals in detail how impossibly complex the home care system in Ontario has become.

In the preamble to her report, Ontario’s Auditor calls for a full review of home care that addresses the structural problems in the system. This recommendation has been repeatedly made by Ontario Auditors over the last decade. The Ontario Health Coalition agrees with this urgent need, and calls on the Minister to protect the public interest by ensuring that there are full public hearings and a process that limits the disproportionate power that provider companies have in policy reform for home care.

“There is a very real risk that a significant proportion of our home care system could be privatized to the for-profit home care chain corporations, under the panel report on home care commissioned by the Minister of Health last year,” warned Natalie Mehra, executive director of the Ontario Health Coalition. “But the evidence provided by today’s special audit should highlight not only the well-known problems in the CCACs but also the problems inherent in a contracting and sub-contracting system, and the profit-taking and lack of public accountability of private home care corporations.”

The Coalition has called for a streamlined public non-profit home care system based on public interest principles, with reformed CCACs, better democratic input and stronger accountability, a cultural change to reflect the values and priorities of Ontarians, and stronger standards to improve care. The Coalition’s recommendations and findings based on a province-wide consultation on home care can be accessed on our website:

<http://www.ontariohealthcoalition.ca/index.php/ontario-home-care-in-disarray-unable-to-keep-up-heath-coalition-proposes-reform-based-on-principles-of-public-medicare/>

If there is anything missing from today’s Special Report, it is the data on performance of the contracted companies that provide home care. While the Auditor did a thorough investigation of CCAC direct program provision and measured its effectiveness, she did not report on her findings regarding key indicators of quality and performance for the private companies that are contracted to provide services. We hope this information will be in the full audit released later this fall. The rate of missed visits by provider companies, for example, is mentioned in the report but no numbers are provided. One of the key complaints that the Health Coalition has received is that frequently no one shows up to provide home care for scheduled visits, leaving home care clients without needed care, sometimes without any ability to get out of bed and get help. Other problems are: long waits to get care from contracted companies, high turnover of caregivers leading to poor care, and unresponsiveness to complaints about missed visits or poor care. These issues were not covered in today’s Special Audit which was guided by a specific mandate given to it by the Public Accounts Committee of the Legislature. But they are crucial in assessing the future structures that should help shape our home care system.

“The Auditor’s findings underline how impossibly complex and bureaucratic Ontario’s home care system is, mainly as a result of the structures that were set up almost two decades ago to facilitate home care privatization and competitive bidding,” noted Natalie Mehra, executive director of the Ontario Health Coalition. “While governments have tinkered with the structures, they have never had the principles nor the political will to fundamentally reform home care.”

“Despite massive political pressure from patients and advocates who have repeatedly pointed out that this system is overly bureaucratic, does not work for patients or careworkers, and shunts hundreds of millions of dollars per year away from care to redundant administration and profit-taking, the power of the lobby of the provider companies has stymied repeated attempts to win home care reform that might reduce their profits or market share, even if that reform would result in better public accountability and more funding going to actual care,” she reported.

If we are going to win home care that works for patients and stabilizes the home care workforce, we need an open process that balances the power of the home care corporations.

For more information: Natalie Mehra 416-441-2502 (office).

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.)