

***‘I REALLY CAN’T AFFORD TO STAY IN HOME
CARE’***

**A FOLLOW-UP STUDY OF HAMILTON HOME
SUPPORT WORKERS LAID OFF IN 2002**

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***'I Really Can't Afford to Stay in Home Care':
A Follow-Up Study of Hamilton Home Support Workers Laid Off in 2002***

ABSTRACT

INTRODUCTION

In August 2002, Hamilton VHA Health and Home Support Services (VHA) closed. In operation for over 70 years, VHA was a non-profit agency with a unionized work force; it provided 58% of all home support services in the Hamilton area, employed some 400 people and delivered services to 2500 clients. Hamilton VHA had a local reputation as a considerate employer and had a good record of staff retention.

Following government directives on home care rationing, in 2001-2002, the Hamilton CCAC withdrew service from 3,500 clients, most of whom were elderly and had been receiving ongoing supportive forms of care. This rapid reduction in referrals altered the volume and mix of VHA's work. The costs of providing service rose but the CCAC's rate of reimbursement for services remained the same and, thus, the agency's viability was compromised. The CCAC refused requests to adjust VHA's contracted price, even though the agency's resulting collapse meant that the CCAC had to transfer VHA clients to other home support providers whose contracted prices were higher.

A survey of the front-line home support workers (N=317) who lost their jobs at VHA was carried out in the winter of 2002-2003 in order to explore some of the impacts of this major disruption in the home care labour force and service sector in Hamilton. A questionnaire was mailed to the 317 home support workers; 56% (N=179) responded. The resulting sample reflected closely the characteristics of the broader home support workforce.

SUMMARY RESULTS

Significance of VHA's closure for workers:

- Respondents' average length of employment with VHA was 8 years (SD: 4.75). 80% described themselves as either satisfied or very satisfied with their jobs; most (82%) said they would have continued to work at VHA if it had not closed.
- Respondents' top-ranked concerns were about their clients and their own financial jeopardy. Their written comments conveyed shock and both sadness and anger that their training and commitment to clients was so little valued.

Workers' dispersal:

- 32% (N=57) of the sample had not found paid employment.
- 67% (N=120) of the sample had found paid employment of various kinds.
- 38 % (N=69) of the sample had found jobs in home care.
- 85% (N=59) of these home care jobs were with for-profit employers.

Employment conditions in new home care jobs (N=69):

- A majority of respondents reported deterioration in benefits (N=35, 65%) and pay (N=39, 64%).
- Average hourly rates of pay broken down by market sector and compared with VHA prior to closing revealed lower rates in the for-profit sector:

VHA prior to closing:	\$11.95 (SD:0.63)
For-profit providers: (4 agencies)	\$10.98 (SD:0.57)
Non-profit provider: (1 agency)	\$12.22 (SD:1.98)

IMPLICATIONS

For home support workers:

- The loss of security that had come with either or both a relatively supportive employer and union protection.
- Heightened anxiety about providing for themselves and their families.
- Demoralization at their treatment and scepticism about the future viability of home care work.
- Lower rates of pay for most of those who stayed in home care.

For the home care sector in Hamilton:

- A net loss of trained workers.
- A higher market share for for-profit providers.
- A lower proportion of unionised workers in home support agencies (only one of the five home support agencies to which workers moved was unionised).
- An overall deterioration in home support workers' pay and employment conditions.

For understanding the dynamics and impacts of managed competition:

- The Hamilton CCAC's decision not to re-open VHA's contract accorded with government policy objectives to reduce supportive home care, enforce market relations and encourage privatisation. However, it ran counter to government commitments to drive down costs and seek efficiencies; four of the five agencies to which VHA clients were transferred charged the CCAC higher prices for their services than had VHA, while the fifth charged the same price.
- These events in Hamilton illuminate the limits of the role now accorded by government to the CCACs: in this instance, the CCAC acted only as the enforcer of contractual relations. Experience and evidence from other 'quasi-markets' in home care underscore the importance of a much broader, stabilizing and developmental role for government in building care markets. This role may require contractual flexibility in the face of unforeseen contingencies, and rests on the recognition that service quality and the quality of front line employment conditions are inextricably linked.

Like all case studies, this one focuses on a particular, local situation in order to illuminate the wider processes of which it is a part. It is hoped that exploration of events in Hamilton will enhance understanding of some of the dynamics of managed competition as it is presently implemented. It is hoped, too, that it will stir debate about how home care can be better organized to support elderly citizens living in the community and to foster fair and secure employment conditions for those whose skilled work can enable them to do so.

INTRODUCTION

In August 2002, the largest home support agency in Hamilton, Ontario, VHA Health and Home Support Services (VHA) closed, laying off all its employees. Originally the Visiting Homemakers Association, this non-profit organization had served the Hamilton community for over seventy years; at the time of its closing, it provided 58% of all home support services in the area, employed some 400 people and delivered services to 2500 clients. VHA's closure resulted from provincial government funding cuts and decisions that are affecting home care throughout Ontario, specifically: the narrowing of eligibility criteria for home care and the impacts on the sector of 'managed competition' introduced by the provincial government in 1996.

Under managed competition, the role of the government, exercised through Community Care Access Centres (CCACs), is limited to the contracting out of services to competing provider organizations, the screening of clients' eligibility for service and case management. Since 1996, the CCACs charged with these functions have faced enormous challenges: rising demands for home care from the restructured hospital sector, and budgets from the provincial government that have been strained and unpredictable. In 1999, province-wide regulations were introduced to standardize the CCACs' approach to rationing their scarce resources. Priority was given to acute and sub-acute patients leaving hospitals. This approach to targeting home care gives low priority to elderly people and people with disabilities requiring long-term supportive care in the community.

The CCAC in Hamilton provides an illuminating example of how these policy changes and cuts unfold at the local level. The Hamilton CCAC was the focus of controversy and local media attention from 1999 onward as it strove to respond to local needs and over-ran its budget. Characterizing the budget over-run as a matter of incompetent governance, the Ministry of Health and Long Term Care intervened in 2001 by disbanding the voluntary board of directors and appointing a supervisor to take over management of the organization. (A few months later, the government converted all CCACs to statutory corporations with government appointed, rather than community-based, boards of directors).

The Hamilton CCAC's supervisor was directed to contain costs and comply tightly with rationing regulations – government directives that apply province-wide but which were enforced particularly quickly in this instance. Accordingly, the HCCAC withdrew service from 3,500 clients (of a total caseload of 11,000). Most of those who lost service had been receiving ongoing supportive forms of care. With this systematic reduction in the allocation of supportive care, CCAC referrals for home support dropped. Case managers referred only their medically more complex cases, withdrew service from clients once deemed eligible, and reduced the length of support workers' visits (from 2-3 hours to 1 hour or half an hour).

Like most home care providers, VHA depended on the CCAC for almost all its work. These changes in referral patterns significantly altered the volume and mix of the agency's work and compromised its viability: administrative and travel costs rose, more highly trained (and slightly better paid) personnel had to be assigned to the increasing proportions of complex cases, and more supervision was required. In short, the costs of providing service rose but the CCAC's rate of reimbursement to VHA for services remained the same. The resulting tensions reverberated in VHA employees' lives as they found their hours reduced and unpredictable, and as they were affected by various internal efforts to reduce costs.

VHA's requests to re-open its contract with the Hamilton CCAC in recognition of these mid-contract changes were denied. The efforts of various community groups, advocates, local MPPs and the

employees' union to support the agency's request also proved fruitless. In July 2002, VHA announced that it would be closing and began the process of transferring clients back to the CCAC. In August, it declared bankruptcy and all employees were laid off.

The CCAC transferred VHA clients to the five other homemaking providers with whom it had contracts. These agencies rapidly advertised for workers in the local media and the CCAC encouraged VHA workers to seek opportunities to continue working with their clients. Four of these five agencies charged the CCAC higher prices for their services than had VHA, while the fifth charged the same price. One of the five agencies was unionised, four were not.

A survey of the front-line home support workers (N=317) who lost their jobs at VHA was carried out in the winter of 2002-2003 in order to explore some of the dynamics and impacts of this major disruption in the home care labour force and service sector in Hamilton. Tracking the implications for workers of VHA's closure can illuminate the local effects of the policy decisions of the Ontario government. It can also generate more widely applicable insights into the commercialization of home care and the deterioration of home care work that are occurring in many other policy jurisdictions.

THE STUDY

In November 2002, a questionnaire was mailed to the 317 home support workers previously employed by VHA. It was followed up by a reminder and then a second mailing in March 2003. One hundred and seventy-nine (N=179) workers completed questionnaires, producing a final response rate of 56%.

The sample

The background characteristics of the respondents were as follows:

- 94% (N=167) were women

- their average age was 48 (range: 25years -70years, SD:9.4)

- 55% (N=98) were born outside Canada

- 82% (N=146) lived in households/ families of two or more people, while 14% (25) lived alone. (4% did not respond to this question).

- 64% (N=114) had one or more children living with them

- 85% (N=153) had completed various levels and types of community college diplomas in home/ personal support. Among this group, 12% (N=22) had also completed university degrees -17 of them in universities outside Canada.

- their average hourly rate of pay at VHA had been \$11.95 (SD: 0.63)

- their average weekly earnings at VHA had been \$542.50 (SD: \$216). It ranged from \$325 to \$783, reflecting the mix of full and part-time employees.

- for 35% (N=62), their earnings at VHA represented between 76% and 100% of their total household incomes; for another 22% (N=40), their VHA earnings represented between 51% and 75% of their household incomes.

The study sample reflected closely the characteristics of the broader home support workforce. It was made up predominantly of women, most of whom had families and depended significantly on their home care incomes. It also included a significant proportion of people who had come to Canada as immigrants. These features enhance confidence in the generalizability of the study results.

Data collection and analysis

A questionnaire was designed in consultation with a number of key informants (former VHA workers, union representatives and former VHA management staff) to enhance its clarity and face validity. It included questions on workers' employment status and employment conditions, as well as questions about the social and personal implications of being laid off and of thinking about what to do afterward. Most questions offered a fixed range of responses, a few were open-ended and respondents were also invited to supply written comments in each section.

The numerical and textual data thus generated are integrated and presented below in response to the following questions:

- 1) Where did workers go?
- 2) How did they experience the lay-off and dislocation?
- 3) What were their main concerns and considerations in moving on afterward?
- 4) For those who found employment, what were the conditions in their new jobs?
- 5) How did VHA's closure affect their views of their future work lives?

FINDINGS

1) WHERE DID WORKERS GO?

At the time of responding to the questionnaire a few months after VHA closed, 67% of respondents were in paid employment while 32% were not. A minority of the employed respondents held multiple jobs: twenty-two (22) held two jobs, seven (7) held three jobs, and one (1) held four. In most cases, multiple jobs were held simultaneously, presumably in an effort to secure needed hours and income.

Table 1 summarizes respondents' situations; for those in paid employment, the first jobs they found after VHA closed are grouped by employment sector.

Table 1: Employment Situation After VHA Closed

	N	%
• In paid employment:		
Home care – for profit	59	32.9
Home care – non-profit	10	5.6
Long-term care facility	17	9.5
Other caring work	5	2.8
Non care-related work	5	2.8
Self-employed	2	1.1
Type of work not specified	22	12.3
• Not in paid employment:	57	31.8
• Missing data	2	1.1
Total	179	100

Only thirty-eight per cent of respondents (38%, N=69) had moved on from VHA to other jobs in home care. Eighty-five per cent (85%, N=59) of this group of 69 had moved to for-profit agencies.

Of the 57 respondents not in paid employment at the time of completing the questionnaire, 41 (83.7%) were collecting Employment Insurance. Asked about their unemployment, the reason respondents most frequently cited was that they had been unable to find acceptable work (see Table A in Appendix).

2) HOW DID WORKERS EXPERIENCE LAY-OFF AND DISLOCATION?

Respondents reported high levels of satisfaction with their jobs at VHA: 80% (N=140) described themselves as either satisfied or very satisfied. The average length of their employment with VHA was 8 years; it ranged from 6 months to thirty years (SD :4.75 years). The majority of respondents said they would have continued to work at VHA if it had not closed:

Table 2. Would you have stayed at VHA?

	N	%
Yes	147	82.1
No	11	6.1
Uncertain	16	8.9
Missing	5	2.8
Total	179	100

The agency's closing and the changes precipitated by it were, then, not welcomed or wanted by most respondents. Workers' written responses on this point were revealing. Many described their admiration for the agency and their personalized sense of attachment to it:

VHA was the best for caring and understanding. They took the time to listen, whether it was a client or personal, they took the time for you as a person, not a worker all the time.

I've learned to know everybody, especially my supervisors and this was my first job when I got my visa. I loved and miss VHA.

I'd have stayed because they let you upgrade your skills, good benefits, reputation, good people at the office.

I would have continued working there till I retired if possible. They were a great agency to work for. They kept offering courses to keep educated and up to date with changes. The supervisors and schedule coordinators treated me with great respect.

Respondents were asked about their reactions on first learning that VHA was closing (see Table B in Appendix). Over 80% identified feelings of sadness, shock, loss of valued contacts with clients and families, anger and anxiety. A small number (9.6%, N=15) felt little affected by the closure and some (38%, N=61) thought it might hold some positive changes for them. Respondents' written elaborations of these neutral and mixed feelings revealed concern about two issues. First, some worried about whether they could continue to stand the physical wear and tear of home care work; for example:

I found it difficult to walk from client to client in the winter months.

Although I liked working for VHA, transferring clients and bending over beds etc were causing backaches. I don't know how long I will be able to continue ..

Second, some voiced worry and disenchantment about cost-cutting measures that VHA had implemented in the year prior to closing:

Considering how many cuts there have been to clients' hours and what work we were able to do, I do not feel I would have stayed in this position even if I were physically able.

I would have stayed at VHA until I retired, even though I found the measures VHA used in the last two years before closing very stressful.

Asked how they felt several months later, at the time of completing the questionnaire, workers reported somewhat less intense feelings (see Table C in Appendix). Logically, fewer identified feeling still shocked, but two-thirds continued to feel sad and a sense of loss of relationships they had valued with clients and their families.

Two-thirds of the sample reported that they had found support for themselves during the months after VHA's closure. Table 3 indicates that informal sources of support were more commonly relied upon than formal sources (respondents checked as many supports as applied to them so percentages are not additive):

Table 3. Sources of Support After VHA Closed

	N	%
Family	97	57.4
Friends	83	49.1
Former VHA co-workers	58	34.3
Former VHA supervisor/manager	25	14.8
Union	15	8.9
Community ties	8	4.7
Employee assistance Program	8	4.7
Social or health service	6	3.6

3) WHAT WERE WORKERS' CONCERNS AND CONSIDERATIONS AFTER VHA CLOSED?

Respondents were asked to describe what was on their minds in the months following VHA's closing. They were asked about both job-related and personal concerns and considerations. For each job-related consideration listed in Table 4, workers were asked to respond on a five-point scale: not at all important (1), unimportant (2), neutral (3), important (4), very important (5). In Table 4, the items are listed in descending order of importance on the mean scores obtained (first column):

Table 4. Job-Related Considerations after VHA closed

	Item Mean N	Item SD	Very important / Important N (%)	Neutral N (%)	Not at all important / Unimportant N (%)	Total N	% Missing
Concern for former VHA clients	4.4	.90	150 (87.7)	9 (5.3)	12 (7.0)	171	4.4
Job security	4.3	1.0	144 (84.2)	9 (5.3)	18 (10.5)	171	4.4
Guarantee of hours	4.3	1.0	140 (82.8)	9 (5.3)	20 (11.9)	169	5.5
Pay/wage rate	4.1	1.0	138 (81.7)	9 (5.3)	22 (13.0)	169	5.5
Benefits	4.1	1.2	130 (75.6)	20 (11.6)	22 (12.8)	172	3.9
Support from supervisor	4.1	1.1	129 (77.7)	13 (7.8)	24 (14.4)	166	7.2
Convenient location	4.1	1.1	129 (76.3)	18 (10.7)	22 (13.1)	169	5.5
Manageable degree of work stress	4.1	1.0	126 (78.8)	18 (11.3)	16 (10.0)	160	10.6
Possibility of independence	4.0	1.0	119 (75.8)	21 (13.4)	17 (10.8)	157	12.2
Flexible	3.9	1.0	119 (70.9)	29 (17.3)	20 (11.9)	168	6.1

scheduling							
Pressure to find something quickly	3.8	1.2	102 (65.4)	31 (19.9)	23 (14.8)	156	12.8
Opportunities for advancement	3.6	1.2	95 (58.7)	40 (24.7)	27 (16.6)	162	9.4
Unionized workplace	2.9	1.4	59 (36.4)	53 (32.7)	50 (30.8)	162	9.4

First, it is noteworthy that, overall, all the items were deemed important (scored 3 or more), with the exception of finding a workplace that was unionized. Respondents' neutrality on this item may reflect disappointment that being unionized at VHA did not save their jobs.

Concern for clients was ranked first and was frequently elaborated in open-ended comments that revealed workers' commitment to their relationships with clients and the reward they derived from them:

The clients were very upset about not knowing what was going to happen. It was hard to comfort them. I was feeling the same way.

I liked my clients and I felt I made a difference in their lives.

I enjoyed working in the community and I feel good when I know that elderly people are happy to stay in their house with a little help/ assistance from us.

I was hopeful to the end. I wrote to the Spectator as many did. I felt the government would help us. My greatest concern was my clients and not being there to help and 'be with family' again. I felt they would suffer more than me.

I felt sorry for some clients especially those that I've been looking after for all those years I worked at VHA. Some are even discharged from getting the service (those clients are both old and not well).

I felt worst for my clients as they all relied on us for help and support and moral support. Sometimes we were the only ones they'd see from one visit to the next.

Often, workers' decisions about taking another job in home care were driven by concern to 'follow' their clients - something that both the employing agencies they moved to and the CCAC supported as it minimized disruption for clients and was relatively undemanding administratively. Workers shifted to new employers, but clients kept their familiar workers:

The only good thing about it is I managed to keep most of my important clients the ones that relied on me most and were adversely affected by the transfer .. If it hadn't been for my clients and feeling pressured to act immediately I would have accepted EI and searched for work and weighed my options more leisurely. I could have used the break as I was (and still am) highly stressed.

I was told/ promised by CCAC and my new employer that I would be able to keep most of my clients. That and finding another job quickly were the most important issues for me when VHA bellied up.

After client-centred considerations, the next most important concerns for respondents revolved around employment conditions: security, hours, pay and benefits.

Respondents were also asked about the personal considerations that they had in mind after VHA closed. The rank-ordering of these items is presented in the first column in Table 5:

Table 5. Personal Considerations after VHA closed

	Item mean N	Item SD	Very Important /Important N (%)	Neutral N (%)	Not at all Important / Unimportant N (%)	Total N	% Missing
F i n a n c i a l responsibility for myself	4.5	0.7	159 (92.4)	10 (5.8)	3 (1.8)	172	2.7
Concern for own health	4.4	0.7	151 (87.8)	15 (8.7)	6 (3.5)	172	2.7
Concern for own sense of stress	4.4	0.7	145 (86.9)	18 (10.8)	4 (2.4)	167	6.7
Importance of time with family	4.2	0.9	137 (82.5)	21 (12.7)	8 (2.8)	166	7.2
F i n a n c i a l responsibility for supporting family	4.2	1.1	132 (79.1)	18 (10.8)	17 (10.2)	168	6.1
Responsibilities for care of family members	4.0	1.0	123 (76.4)	25 (15.5)	13 (8.1)	161	10.0
Time for recreation	3.9	0.9	112 (70.0)	38 (23.8)	10 (6.3)	160	10.6
Time for community activities	3.5	0.9	81 (49.4)	68 (41.5)	15 (9.1)	164	8.3

Overall, all the considerations listed were rated as important (scored higher than 3 on the 5-point scale). Unsurprisingly, respondents' greatest personal concerns at the time of VHA's closing revolved around providing for themselves and their families and balancing work and family commitments. Some written comments illustrate these tensions:

I had a full-time job always working M-F day shift from 8am to 5pm. That's what I liked the best. I have two small children and I could put them on the school bus in the morning, working full-time.

I felt very stressed by the closure ..clients, what would happen to them?. Also, how would I pay my bills?

I was worried about how my husband and I would make ends meet when you need to have two incomes.

How/ where to get/ earn money in such short notice when VHA announces they filed for bankruptcy? Because rent was due soon and EI was not available right away. It took them almost a month before they released money and it also took the people who handled VHA's bankruptcy two weeks before they sent me my record of employment so money was behind. I had to give up my apartment. I was poor as a rat.

4) HOW DO NEW CONDITIONS OF EMPLOYMENT COMPARE WITH THOSE AT VHA?

a) All Respondents in Paid Employment (N=120)

The 120 respondents in paid employment of all kinds were asked to compare their new work situations with their situations at VHA on a range of job-related dimensions. On each dimension, they were asked to evaluate their new positions on a 5-point scale (much worse=1 to much better=5). Their rank-ordered mean scores are presented in the first column of Table 6 (scores less than 3.0 indicate a worsening of conditions).

Table 6. Compared with your employment situation at VHA, how do you see your present work situation?

	Item Mean	Item SD	Much Worse / Worse N (%)	The same N (%)	Much better / better N (%)	Total N	% missing
Benefits	2.3	1.1	63 (58.3)	30 (27.7)	15 (13.9)	108	10.0
Level of stress	2.8	.91	34 (29.8)	55 (48.2)	25 (21.2)	114	5.0
Pay	2.9	1.2	52 (44.0)	24 (20.3)	42 (35.5)	118	1.6
Hours	2.9	1.2	41 (36.0)	35 (30.7)	38 (33.3)	114	5.0
Peer support	2.9	1.0	29 (26.8)	49 (45.4)	30 (27.7)	108	10.0
Organizational support	3.0	1.1	29 (26.1)	46 (41.4)	36 (32.4)	111	7.5
Personal reward	3.0	.90	24 (22.0)	56 (51.4)	29 (26.6)	109	9.2
Balance with personal life	3.0	.95	32 (28.0)	53 (46.5)	29 (25.4)	114	5.0

Mean scores on the dimensions listed indicate that respondents' work situations had stayed the same or become slightly worse (no mean scores over 3). The frequencies indicate that some workers had fared better; most notably, 42 (35%) said their pay had improved. The area of deterioration most frequently identified was benefits (N=63, 58%).

b) Respondents in Home Care Work (N=69)

In light of the study's central concern with changing conditions of employment in the home care sector, the experiences of the 69 respondents who moved from VHA to other home care agencies are of particular interest. Their assessments of their new work situations are presented in Table 7:

Table 7: Compared with your employment situation at VHA, how do you see your present home care position?

	Item Mean N	Item SD	Much worse /Worse N (%)	The same N (%)	Much better /Better N (%)	Total N	% missing
Benefits	2.2	1.0	35 (64.8)	14 (25.9)	5 (9.3)	54	21.7
Pay	2.4	0.9	39 (63.9)	14 (22.9)	8 (13.1)	61	11.6
Hours	2.9	1.2	20 (32.8)	22 (36.1)	19 (31.1)	61	11.6
Level of stress	2.9	0.9	16 (27.1)	30 (50.8)	13 (22.0)	59	14.5
Peer support	2.9	1.0	15 (25.4)	29 (49.2)	15 (25.4)	59	14.5
Organizational support	3.0	1.1	17 (28.8)	23 (39.0)	19 (32.2)	59	14.5
Personal reward	3.0	0.8	12 (21.4)	33 (58.9)	11 (19.6)	56	18.8
Balance with personal life	3.0	0.9	15 (25.4)	28 (47.5)	16 (27.1)	59	14.5

Mean scores indicate that respondents' new home care positions had not improved on any of the items listed (no mean scores over 3). On most points of overall comparison, their new home care jobs were about the same or slightly worse than their job conditions at VHA. The most marked area of deterioration concerned benefits; 65% (N=35) of the group reported that they were worse or much worse.

After benefits, the second most frequently identified area of deterioration was pay rates. The table below lists the hourly pay rates that former VHA workers were receiving in the five agencies to which they moved. Below them, mean pay rates at VHA and in the long-term care facilities where some workers found jobs are supplied for comparative purposes.

Table 8: Hourly rates of pay in new home care agencies, at VHA and in LTC facilities

Employer	Mean hourly rate	SD	Range	N	% missing
For-Profit Providers (Agencies 1 – 4 combined)	\$10.98	0.57	\$10.00 - \$12.00	54	8.5
Agency 1	\$11.33	0.34	\$10.25 - \$12.00	24	11.1
Agency 2	\$10.46	0.46	\$10.00 - \$11.65	20	4.8
Agency 3	\$11.50	0.32	\$10.95 - \$11.69	6	0.0
Agency 4	\$11.02	0.34	\$10.84-\$11.53	4	0.0
Non-Profit Provider (Agency 5)	\$12.22	1.98	\$11.00- \$16.95	8	20.0
VHA (prior to closing)	\$11.95	0.63	\$10.43 -\$17.85	152	15.1

Long-term care facilities	\$13.44	2.03	\$9.00 - \$16.25	17	0.0
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The mean hourly rates for workers who moved to for-profit homecare agencies were all lower than the rate at VHA - overall a drop of almost a dollar per hour. The mean pay rate in the non-profit agency was slightly higher at \$12.22, although the wider dispersion (SD: 1.98) of rates in this organization makes the mean a less useful summary. Also widely dispersed, the rate of pay found among respondents who moved to long-term care facilities was higher again. This finding requires tentative interpretation but does support long-expressed concerns about the discrepancy between sectors and the lack of incentive for workers to remain in home care.

The written comments of respondents who stayed in home care revealed considerable anxiety about their ability to provide for themselves – anxiety related to lower rates of pay, the loss of benefits and others aspects of working conditions:

I lost so much compared to VHA. I get no sick days, I'm terrified of getting sick. I do not get paid for stat holidays. I had four weeks holidays with VHA. I'll never be able to afford to take holidays because the pay (hourly) is so much less. There's no pension plan.

I feel that I lost a lot at one time: full time job, family income and benefits. Now, I and my children can't have dental care. I can't buy medicines I required because I can't afford them.

I was/ am in shock. I felt I had to accept almost a dollar less per hour – less hours – no benefits – no gas allowance – no paid vacation – no voicemail to help keep in quick contact with employers.

Less than a third of respondents reported improvements in their new positions. The most frequently identified areas of improvement were organizational support (N=21, 32.3%) and hours (N=20, 29.9%). Following the uncertainty surrounding VHA in its last months and the gradual cuts to workers' hours as demand from the CCAC had dwindled, these results are perhaps not surprising. Some respondents elaborated:

I felt stressed from the beginning of 2002 because of the uncertainty regarding our hours of work and the possibility of being laid off - even before we discovered that VHA was closing.

Before VHA closed, I was looking for a more stable job where I know exactly how many hours I will have at the end of the week.

5) HAVE THE CHANGES OF THE LAST MONTHS AFFECTED WORKERS' SENSE OF THE FUTURE?

Understanding how VHA's closing affected workers' views about their futures enables us both to gauge the individual impact of the disruption, and to speculate about the wider impact on the availability of a trained home care labour force in Hamilton. Respondents were asked whether VHA's closing had affected their thinking on a number of items. Table 9 summarizes their responses in terms of agreement/ disagreement (strongly agree = 5 to strongly disagree = 1):

Table 9. Has VHA's closing prompted you to ..?

	Item Mean	Item SD	Strongly Agree/ Agree N (%)	Neutral N (%)	Strongly Disagree / Disagree N (%)	Total
Be more anxious about providing for self/ family	3.8	1.2	88 (72.2)	16 (13.1)	18 (14.8)	122
Consider other work	3.1	1.3	55 (46.2)	23 (19.3)	41 (34.4)	119
Consider staying in care work, but not home care	3.1	1.2	47 (39.5)	37 (31.1)	35 (29.4)	119
Consider private work	2.8	1.2	34 (29.0)	35 (29.9)	48 (41.1)	117
Be determined to stay in home care	2.7	1.1	28 (23.7)	45 (38.1)	45 (38.1)	118
Think more about retiring	2.2	1.3	21 (18.6)	16 (14.2)	76 (67.2)	113

Almost three-quarters (72%, N=88) of the survey respondents reported heightened anxiety about their ability to provide for themselves and their families. Only 28 (24%) expressed determination to stay in home care, while more (N=55, 46%) indicated that they were considering other kinds of work.

Respondents' written comments reveal some of the dimensions of the insecurity and rethinking prompted by VHA's collapse. Some described feelings of betrayal and a sense that they and their work were devalued:

I was very happy to work for a good agency and I had hoped to share in the benefits long term .. I was more established in my personal life with the security they offered to me. Also I felt that I had a place in society that I could give back to ...

I felt betrayed by the management of VHA and especially the conservative government and their policies regarding home care and seniors.

I felt it really doesn't matter how hard you work or how good a worker you are .. at the end, you're as gone as anybody else!

I felt violated. I felt devalued. Nursing homes going bankrupt have been taken over by someone else and the employees are protected. Not so at VHA. I felt cheated.

Others workers expressed scepticism about the home care system itself:

They (VHA) were very organized and professional. Agencies from other provinces were calling to find out about our communication and organizational system. The government paid for my HCA/HSW course and for my PSW course. Then they take our jobs away. I don't get it. What's the punch line?

I still can't believe there weren't other alternatives. Depending on which bunch I was listening to - my supervisors, CCAC, union people, general public (the government was decidedly silent) - I felt a tumultuous mishmash of emotions. I could not believe that three years plus ago the government paid me to go take training at Mohawk (college) and paid for the course for 3 months, five days a month, and then to sign on with VHA where the picture was painted in glorious vibrant colours, where we were so needed . To have it end this way! And I was highly angry that my clients were being treated like pawns in this cold-hearted manipulation.

What's to say they won't do this again to us homemakers and to those older and sick people who need help and to cut hours. What do they think we are? Robots? Some things can change but tender loving care will always be needed.

I still question the future of home care and the stability of all agencies involved in providing services. What's going to happen March 2004 when the bidding for contracts starts all over again? How can our clients deal with constant change?

Our job is to help the sick, elderly, disabled, mentally ill clients, stressed out family caregivers, young children and so on. So the government or powers that be in their great wisdom cut hours of service, causing wages to be cut, hours of work cut, cuts to our continuing education etc.. This affects our clients and us by causing sickness, stress, worry, anxiety, fear, insecurity etc. Now, I'm not a rocket scientist, but I believe there is something very wrong with this 'health care' system. It's an appalling way to treat people.

IMPLICATIONS AND THOUGHTS FOR THE FUTURE

The findings of this study of displaced home support workers in Hamilton have implications at various levels: locally, for the home support workers themselves and for the capacity of Hamilton's home care sector and, more broadly, for understanding and evaluating Ontario's approach to home care.

Implications for home support workers.

The closing of VHA represented for many study respondents the loss of attachment and security that came with either or both a considerate non-profit employer and union membership. Relatively good employment conditions (relatively good benefits package and travel time compensation, marginally higher rates of pay, ongoing supervision, a supportive infrastructure) distinguished VHA from many

of its counterparts. As noted above, VHA was also an exception in the home care market as it was both non-profit and unionized. The working conditions at VHA, positively remarked in the agency's accreditation review in 2001, were reflected in respondents' length of employment with the agency (an average of 8 years).

Unsurprisingly, VHA's closing heightened most workers' anxieties about providing for themselves and their families; for 58% of study respondents, their VHA wages had represented more than half of their household incomes. The increased insecurity that many respondents felt after the CCAC began reducing VHA's referral rates, along with the rates of pay and conditions to which most re-employed respondents moved, are a sobering reminder that this is a workforce likely to find only precarious and poorly compensated employment in the new service economy and the market-modeled home care sector. 64% of the respondents who stayed in home care reported lower pay rates and 65% said they

had lost benefits. The observation of a worker who had followed her clients to a for-profit provider where she received a dollar an hour less and had no benefits and no guarantee of hours vividly summed up this reality: "I really can't afford to stay in home care."

Implications for the home care sector in Hamilton

By the winter of 2002-2003 (4 – 6 months after VHA closed), only 38% of respondents were working in home care. Many of them had moved quickly to other agencies when VHA closed, either because they could not afford to be without income or because they felt committed to clients. If many of these workers are finding themselves unable to "afford" to stay in home care, it is likely that these will have been only temporary moves – that they will be unable to tolerate the poor employment conditions and insecurity of home care work and will leave it. This speculation poses troubling questions about the future availability of a trained home care workforce in the Hamilton area. With an eye to the aging of the population, and with consistent evidence that elderly people want to 'age in place' at home, it is clearly an undesirable development.

Implications for understanding the implementation of managed competition

Three key objectives of Ontario home care policy under the current government have been: to cut supportive, long-term home care in order to prioritize medical care and, thus, curb hospital costs; to encourage privatization in home care provision; and to drive down public costs wherever possible. VHA's closing can be understood as a direct manifestation of the first two objectives. On the first: in the winter of 2001-2002, the Hamilton CCAC drastically reduced referrals for supportive care, serving as a model of compliance with government rationing directives. On the second: VHA's 58% share of the Hamilton home support market was re-distributed among four (4) for-profit agencies and one (1) non-profit agency. For a government committed to privatization, this change in the local market mix represents a signal of public policy success.

However, on the third objective – the driving down of costs and pursuit of efficiencies - VHA's closing represents a failure. With one exception, the agencies to which the CCAC transferred VHA clients charged more for their services than had VHA. Their service agreements with the CCAC specified hourly rates of agency reimbursement that were in four cases higher than that in VHA's contract and, in one case (that of a relatively small agency), the same. As is clear from this study's findings, the higher rates were not passed on to front line employees; four of the five agencies (the four for-profits) paid home support workers less than they had received at VHA. Given these agencies' responsibilities to their shareholders for generating profit, this higher service mark-up cannot be surprising.

The Hamilton CCAC's abandonment of efficiency arguments in this case is hard to explain. When it had been pressed to re-negotiate VHA's price, the CCAC insisted that preserving the integrity of the contracting process had to be its paramount concern. Technically, the CCAC had no obligation to renegotiate terms in mid-contract; the service agreement specified that requests for price quotation changes would be entertained only in very particular circumstances in the last year of the contract. However, other CCACs in the province had exercised discretion and re-negotiated comparable service agreements in response to unforeseen changes that threatened agencies' viability. Indeed, allowing some flexibility for unpredicted events has been identified elsewhere as a needed element in the successful coordination of care markets (see below).

The Service Employees International Union (SEIU), the union that represented VHA workers, contends that the CCAC was prepared to increase its costs in order to eliminate a large unionized work force.

Accordingly, the SEIU has made an application to the Ontario Labour Relations Board under the section of the Labour Relations Act on unfair labour practices. The Ontario Health Coalition hypothesizes that the government's interest in privatizing the home care market swamps other considerations. Such speculations are impossible to evaluate because the CCAC's decision-making processes were closed. Indeed, the lack of transparency province-wide in CCACs' implementation of managed competition has been an ongoing concern among advocates and interested citizens.

Implications for re-thinking home care design and delivery

This case study of managed competition at work in one Ontario community underscores how confined the CCACs' role in home care has become. Charged by the government with the technical brokerage of market relations and with compliance with standardized Ministry directives and efficiency targets, the CCACs appear to have little or no margin for the exercise of discretion and no encouragement to engage local communities openly in their operations and plans.

In the U.K., a jurisdiction with longer experience of a comparable mixed economy in home care, there has been considerable analysis of the roles and functions of local authorities (the equivalent of Ontario's CCACs) from which to learn. This body of research emphasizes the importance of local authorities being much more than overseers of contracts and enforcers of eligibility rules. Rather, they are seen to have a crucial role in fostering stability and service quality in their local markets. Emphasis on this stabilizing and developmental role rests on the fundamental recognition that the services local authorities purchase and allocate can only ever be as good as the provider organizations and the front-line workers that actually deliver them. Based on evidence from multiple case studies and national surveys, Wistow and Hardy (1999, 183) conclude:

Indeed, it cannot be stressed enough that the quality of care is inextricably linked to the quality of employment which, in turn, is significantly influenced by the contractual relationship between provider organizations and their purchasers.

Observers of policy and practice in home care in the U.K. note, too, that flexibility may be required in the 'contractual relationship between provider organizations and their purchasers'. Particularly emphasized is the value of fashioning contractual agreements that allow some room for contingencies and are not so fixed that all the risks are borne by providers. Such flexibility is considered especially important in new or immature markets where provider organizations are accustomed themselves to the competitive process and where local authorities have a stake in the development and sustenance of good providers (Knapp et al. 2001). Ontario can be seen as just such a new market in the sense that it is still in the early rounds of implementing managed competition.

The Hamilton CCAC's decisions in relation to VHA ran counter to this body of evidence and experience. By not re-opening VHA's contract, the Hamilton CCAC chose not to exercise flexibility and, thus, not to sustain VHA to its contract end date (March 2004). Predictably, losses at various levels have resulted: there has been a net loss of trained workers in the home care sector; of the minority of former VHA employees who stayed in home care, most now work at lower rates of pay and in work environments that do not offer union protection; and the Hamilton community has lost a large, accredited home support provider with an enviable record of retaining employees – a capacity acknowledged to be a key condition for continuity and quality of care. It is hard to see who has benefited from the CCAC's costly decision, save the mainly for-profit agencies whose market shares have increased and whose shareholders have profited.

Like all case studies, this one focuses on a particular, local situation in order to illuminate the wider processes of which it is a part. It is hoped that exploration of events in Hamilton will enhance understanding of some of the dynamics of managed competition as it is presently implemented. It is hoped, too, that it will stir debate about how home care can be better organized to support elderly citizens living in the community and to foster fair and secure employment conditions for those whose skilled work can enable them to do so.

Knapp, M. Hardy, B. and Forder, J. (2001). Commissioning for Quality: Ten Years of Social Care Markets in England. *Journal of Social Policy* 30 (2): 283-306.

Wistow, G. and Hardy, B. (1999). The Development of Domiciliary Care: Mission Accomplished? *Policy and Politics* 27 (2): 173-186.

9
APPENDIX

Table A: Reasons for not being in paid employment (N=57)
(respondents checked as many items as applied so the percentages are not

additive)

	N	%
I have been unable to find acceptable work	30	50.8
I am spending more time with my family	21	35.6
I am taking some time-out before I decide what to do	19	32.2
I have been too stressed to move to another job	18	30.5
I have been unable to decide what to do	13	22.0
I am taking some courses, more education	12	20.3
I decided to retire	1	1.7

Table B: Which of the following describe your feelings and reactions when you first learned that VHA was closing?

(mean scores calculated on a 5-point scale: strongly agree=5 to strongly disagree=1)

	Item mean (SD)	Strongly disagree /disagree N (%)	Neutral N (%)	Agree/ Strongly agree N (%)	Total N	% Missing
I felt sad.	4.4 (1.0)	11 (6.4)	9 (5.2)	153 (88.4)	173	3.4
I felt shocked.	4.4 (1.1)	17 (9.8)	6 (3.5)	150 (86.7)	173	3.4
I felt that I lost valued contacts with clients and families.	4.3 (1.0)	13 (7.6)	13 (7.6)	145 (84.8)	171	4.5
I felt angry.	4.2 (1.1)	16 (9.7)	17 (10.3)	132 (80.0)	165	7.8
I felt anxious.	4.1 (1.2)	19 (11.7)	13 (8.0)	130 (80.3)	162	9.5
I felt hurt, not being valued.	3.9 (1.2)	25 (15.2)	23 (14.0)	116 (70.7)	164	8.4
I felt the loss of important relationships with my supervisors.	3.7 (1.2)	29 (17.4)	32 (19.2)	106 (63.4)	167	6.7
I felt demoralized.	3.7 (1.3)	24 (15.5)	31 (20.0)	100 (64.5)	155	13.4
I felt the loss of important relationships with my coworkers.	3.7 (1.9)	26 (15.7)	43 (25.9)	97 (58.4)	166	7.0
I felt the closure might bring about positive changes for me.	3.1 (1.3)	56 (34.8)	44 (27.3)	61 (37.8)	161	10.1
I was not much affected by the closure.	1.9 (1.1)	121 (77.6)	20 (12.8)	15 (9.6)	156	12.9

Table C.: Which of the following describe your feelings and reactions now – several months since VHA closed?

(mean scores calculated on a 5-point scale: strongly agree=5 to strongly disagree=1)

	Item mean (SD)	Strongly disagree/ disagree N (%)	Neutral N (%)	Agree/ Strongly Agree N (%)	Total N	% Missing
I felt sad.	3.7 (1.2)	22 (14.5)	32 (21.1)	98 (64.5)	152	15.1
I felt that I lost valued contacts with clients and families.	3.7 (1.2)	27 (18.4)	24 (16.3)	96 (65.4)	147	17.9
I felt angry.	3.5 (1.3)	32 (21.6)	33 (22.3)	83 (56.1)	148	17.3
I felt the loss of important relationships with my coworkers.	3.5 (1.2)	33 (22.1)	37 (24.8)	79 (53.0)	149	16.8
I felt the loss of important relationships with my supervisors.	3.5 (1.2)	31 (20.8)	41 (27.5)	77 (51.7)	149	16.8
I felt anxious.	3.3 (1.3)	41 (27.5)	36 (24.2)	72 (48.3)	149	16.8
I felt shocked.	3.3 (1.2)	34 (23.1)	43 (29.3)	70 (47.6)	147	17.9
I felt the closure might bring about positive changes for me.	3.2 (1.3)	37 (25.5)	39 (26.9)	69 (47.6)	145	19.0
I felt hurt, not being valued.	3.2 (1.2)	42 (28.8)	36 (24.7)	68 (46.6)	146	18.5
I felt demoralized.	3.1 (1.3)	48 (34)	38 (27)	55 (39.0)	141	21.3
I was not much affected by the closure.	2.3 (1.2)	91 (64.1)	28 (19.7)	23 (16.2)	142	20.7