

# Ontario Health Coalition

## Home Care: Privatization and Dismantling of Public Control

### Briefing Note on the Ford Government's Changes to Home Care in Ontario

November 11, 2023

#### Home Care Background in Brief

##### **Non-profit and municipal home care – the attempt to create a public system of long-term care in the home for people to age at home**

Until the 1990s homecare was a non-profit public service provided by trusted agencies like the Victorian Order of Nurses and the Red Cross. As hospital beds were closed through the 1980s and 1990s, home care changed to take more complex patients. Seniors' organizations and advocates complained that the system was disorganized and ad hoc, a mix of municipal government services and local non-profit home care providers. The NDP government began a long consultation process in the early 1990s to reform and create a system out of home and community care. The vision was for long-term care in the home, to support people to age at home.

Unfortunately, the NDP did not bring in new home care legislation until 1994 just before they lost government. That law was supposed to create a new public non-profit home care system managed by multiservice agencies in every region of the province, where home and community care would be better organized to create a system of long-term care at home. The vast majority of services were to be public and non-profit. However, the NDP had delayed passing the legislation for too long and, although it passed before they lost government before it was implemented.

##### **Phase Two: Privatization**

In 1996 the provincial Conservative government (the Mike Harris government) totally changed direction. Their goal was privatization. They cut hospital funding by almost a billion dollars, forcing the offload of patients into home care. Pre- surgical care and post-surgical care was cut from hospitals and more of the home care rolls were taken up by post-surgical patients. Strict caps were put on hours of home care that people could get. The Harris government cut off the non-profit grants and [forced a bidding process to allow multinational for-profit companies to take over homecare contracts](#). Then, as the governing bodies for home care that they had created (called the Community Care Access Centres) made public the cuts to care, [higher costs of privatization](#), and chaos in the home care workforce that ensued, the Harris [government eradicated locally elected boards, replacing them with appointees and silencing the release of information to the public](#).

With "competitive bidding", as they called it, private for-profit corporations were invited to compete for contracts against the non-profit providers like the VON and Red Cross. 80-90% of the costs for providing homecare are nurse and homemaker salaries and benefits. The for-profit agencies consistently underbid non-profits by [cutting salaries](#) and worsening working conditions, [disrupting care and leading to serious staffing shortages](#). Non-profits are community agencies controlled by a locally elected Board of Directors. For-profits are investor-controlled and operate (by mandate and law) to provide a profit to their investors. Homecare, as part of the healthcare system should be a public non-profit service rather than a commodity bought and sold for profit.

Competitive bidding resulted in:

- [Profit-taking that siphons money away from care.](#)
- Disruptions in care, frequent changes in the nurses and caregivers providing intimate personal care such as baths, medications and wound dressing.
- [The loss of small non-profit agencies providing service.](#)

- Severe staff shortages as staff leave the sector seeking fairer working conditions. Many staff are forced to re-apply for their jobs at lower wages and poorer working conditions.
- A dangerous environment of secrecy. Employees are required in some cases to sign oaths of confidentiality that is so broad it prevents homecare workers from telling the public about problems with homecare services.
- Resources moved from service to administration as organizations absorb a significant financial burden to complete the application process.

### **Phase Three: Tinkering with the for-profit system left by the Harris government**

When the Liberals came in, in 2003, [an outcry over the problems with “competitive bidding” and the loss of local non-profit home care](#), forced the province to put a moratorium on competitive bidding in 2004. However, the moratorium was lifted in fall 2007 and then later imposed again. The Liberals made a few improvements, giving basic employment standards to home care workers, increasing the caps limiting the amount of service people could get, ultimately increasing pay and setting a [new minimum wage for home care PSWs](#), and increasing home and community care funding by five percent for a decade (while holding down long-term care homes’ funding to about 2 percent and hospital funding at zero percent increases).

However, the Liberals did not end for-profit privatization of home care. They essentially froze it in place and [many of the problems remained](#). They did not recreate democratically elected and accountable public governance of home care, and after eliminating the Community Care Access Centres that the Harris government had created, they replaced them with unelected regional bodies called the Local Health Integration Networks (LHINs) which governed home and community care, most of which remained contracted out. By the end of the Liberals’ terms in office, the vast majority of home care was contracted out, most of it controlled by for-profit companies, and the LHINs provided the public oversight -- case management, care coordination and some direct home care services publicly.

When the Ford government came in, they started work on dismantling the remaining public governance of home care and privatizing it.

### **The Ford government’s changes to home care: dismantling & privatization**

In 2019 and 2020, in the midst of the pandemic, the Ford government passed two pieces of legislation to restructure (and privatize) health care and home care. They [repealed the Home Care and Community Services Act, and brought in a new law which gutted the patient protections and oversight of home care](#), inadequate as they were, and set the stage for their new plan. This month, the Ford government introduced [a new law to finish setting the stage for the privatization of the last remaining public parts of home care and the dismantling of public oversight](#).

In summary, the Ford government is now privatizing care coordination – which has remained public so far, and is done by nurses who were employed by the public governing body for home care (formerly the Community Care Access Centres, then the Local Health Integration Networks, now the Home and Community Care Support Services. (They have been restructured three times.) No matter the name, what matters is that they have been public, and have provided public care coordination. Now they will be contracted out to the provider companies, most of whom are for-profit. Thus, the for-profit provider companies will then control care coordination for their own for-profit companies. It is kind of like having the fox guard the hen house. It also amounts to the privatization of a very significant portion of the only remaining public part of home care. There is nothing in the new legislation that would improve home care, provide better access to care, provide a clear right to access care, improve quality, deal with the staffing crisis or improve democratic control and accountability.