



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES - MANITOBA

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Contracting Out the Enhanced Home Care Program

Among the many recent changes by the Pallister government to health care was a contract with two private companies to operate the Enhanced Home Care Program (EHCP). This will provide community care to patients who can no longer benefit from acute hospital care, at an estimated total cost of \$10.5M. Each eligible patient will receive up to 90 days of intensive service prior to “transitioning” to their own home or to a Long Term Care (LTC) facility.

Contracting the delivery of health services is one form of privatization which has been more acceptable to the public since it remains free at the point of service, but even so the record of private-sector involvement is not good. For example, in hospital care, contracting cleaning services in the UK was associated with an alarming increase in infections. Private for profit LTC facilities have been found to maintain lower staff-to-patient ratios and lower-paid, less skilled staff than publicly owned facilities, resulting in unsatisfactory patient care.

In home care, there is the cautionary tale of the 1996 experiment to contract out a portion of the Manitoba’s home care service. Claims of improved service at a lower price were very quickly withdrawn, leaving no justification whatsoever for the contract. Worse yet, the contractor, US based Olsten, was at the time embroiled in a number of lawsuits for alleged false billings, selling unnecessary services to vulnerable, elderly clients and failure to

deliver contracted services. A recent survey of clients of Ontario’s wholly contracted Home Care revealed a host of problems, including large numbers of missed appointments, difficulties of access, unexplained discrepancies in billings, and significant administrative costs arising out of the fragmentation of the system and dual management structures. A report by the Ontario Auditor General echoed most of these findings.

At first glance, the EHCP may not look so bad. The agreements are in effect for only two years. The \$10.5M budgeted is a tiny proportion of current Home Care expenditures. One contractor already serves Home Care clients choosing Self/Family Managed Care.

However, the usual concerns remain, such as costly duplicate management structures, decreased transparency and difficulties in ensuring compliance. The big question though is why this model? The stated reason - that the public system is not ready to take on this addition to the program, is dubious. The required services are no different from those provided in the public program - just more of the same per client.

Admittedly, staff shortages and scheduling problems have persisted in the public program but it is difficult to believe that the private

there is an alternative.

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sector is immune from these problems. The private sector was no more ready to take on this addition to the service. The infusion of government cash which makes readiness possible could be channeled to the public program. Moreover, none of the usual claims of improved quality or cash savings have been made for these contracts – the latter particularly significant given the single minded austerity of this government.

There are two possible answers to the question, both found in the wider political context. Firstly, a derivative of the small government, low tax, pro-business ideology adopted by the Manitoba government is a dislike of unions in general and public sector unions in particular, in part because they promote a strong role for public services. Upholding this feature of the ideology involves measures that weaken labour. For example, when the government eliminated card check, it became more difficult to organize a union. More recent legislation severely limits public service salaries for the next four years, and weakens collective bargaining.

Outsourcing public services also usually means transferring delivery to non-union employers – as in this case – thereby weakening the union affected. The Health Minister's gratuitous remark about not caring if workers "held a union card" or not would indicate a desire to weaken union influence.

Secondly, the ideology promotes an ever increasing role for the private sector in meeting human needs. Thus, even when an expanded role for the private sector involves public funding, this is viewed as progress. However, sometimes this expanded role is actually dependent upon the public sector assisting in its development. When the contracts expire at the end of two years, the contractors' expanded capability will serve to justify renewals and even expansion of the contracts.

This will be particularly true if the public program is cut back. For example, the government eliminated the Hospital Home Care Teams which performed a

function similar to the EHCP. It would have made much more sense to expand these Home Care Teams than to shut them down and bring in the private sector.

Simple neglect can also push people who can afford it into the private system. The current public system is in need of overhaul, but the Minister has been silent on these issues. Expanding the private sector for those who can afford it leaves a shrinking and flawed public service for those who cannot. This violates the first principle of health care delivery - providing services based on need, not ability to pay.

In short, these contracts have the effect of weakening the union (s) representing workers in the public Home Care program while enabling the private sector. Moreover, while enabling the private sector, the government seems bent on disabling the public sector. Two years from now in the absence of a replenished public program, the private sector will be positioned to profit from a renewal of public funding as well as a continuing influx of fee-paying clients.

Our government should have much better reasons to enter into these arrangements with the private sector than the covert ones suggested here. It can't offer better reasons, because the evidence is that the outcomes of public funding for private delivery of health services are rarely desirable ones. When placed in context, we see that these contracts really are the slippery slope.

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References available upon request.

