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Publicly-funded contract care homes double profits during pandemic

New report from B.C.'s Seniors Advocate shows that for-profit care home operators failed to deliver 500,000 funded hours of care

A report issued today by B.C. Seniors Advocate Isobel Mackenzie finds that care home operators contracted by the province's health authorities doubled their profits between 2017/18 and 2021/22, while at the same time failing to deliver hundreds of thousands of care hours for seniors in their care.

"This study shows that contracted care home operators – and especially for-profit operators – are diverting public funds away from the front-line to their bottom-line," says Hospital Employees' Union (HEU) secretary-business manager Meena Brisard. "Care home residents and health care workers are paying the price."

In an update to her 2020 *Billion Reasons to Care* report, Mackenzie shows that for-profit care homes more than doubled their profits over the five-year period from \$3,439 per bed to \$7,465 per bed – more than seven times the amount of surplus generated by non-profit care operators.

At the same time, the report finds that for-profit care home operators failed to deliver 500,000 care hours for which they received funding. Five years earlier, that shortfall was 207,000 hours. Non-profit care homes delivered 93,000 more hours of care than they were funded to deliver (up from 80,000 in 2017/18).

The HEU says the report's findings underscore the need for the B.C. government to make fundamental reforms to the long-term care system, including the implementation of its 2020 election promise to restore the standard wages, benefits and working conditions that had been dismantled by the previous BC Liberal government.

"This government has inherited a long-term care system that is fragmented, lacking in transparency and failing to deliver on the common working and caring conditions that our seniors and our members deserve," says Brisard.

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“But the solutions are also clear – greater transparency to ensure public funding goes to frontline care and common labour standards to promote a level-playing field for workers and residents.”

Mackenzie’s report also shows a wide variation in labour costs between for-profit and non-profit providers despite the additional funding provided to level-up wages during the pandemic to match those in public sector agreements.

“Our seniors’ care system is pushed to the limit, and we have a responsibility to ensure public money goes to frontline care,” says Brisard. “If action isn’t taken, workers will continue to burnout, and seniors will miss out on the care they need.”

Brisard says that a 2022 survey found that one out of three HEU members are considering leaving health care, and two-thirds say their workloads have worsened.

The union is also calling on government to target all new care home funding to public and non-profit care homes, and to end the practice of sub-contracting care and support services.

HEU represents more than 60,000 health care workers across B.C., including about 28,000 working directly with seniors in long-term care and other care settings.