



Special

REPORT

PRIVATE HEALTHCARE employment agencies

PRIVATE INTERESTS ARE PROFITING
FROM PUBLIC HEALTHCARE.
THE MINISTRY OF HEALTH IS
LETTING IT HAPPEN.
WE'RE ALL PAYING FOR IT.



Hôpital
FIG SPECIAL REPORT VOL 3, NO 1, FEBRUARY 2010
Fédération interprofessionnelle de la santé du Québec
www.figsante.qc.ca
Hôpital Laurier

Personnel	Revenu	Hôpital
62	10 hrs à 18 hrs	Hôpital Laurier
19	10 hrs à 18 hrs	Hôpital Memorial
34	2 infirmières à 18 hrs 4 infirmières à 16 hrs	Hôpital Lesage
87	6 infirmières	Hôpital Armand
45	2 infirmières à 18 hrs 4 infirmières à 16 hrs	Hôpital Armand



Special **REPORT** PRIVATE HEALTHCARE employment agencies

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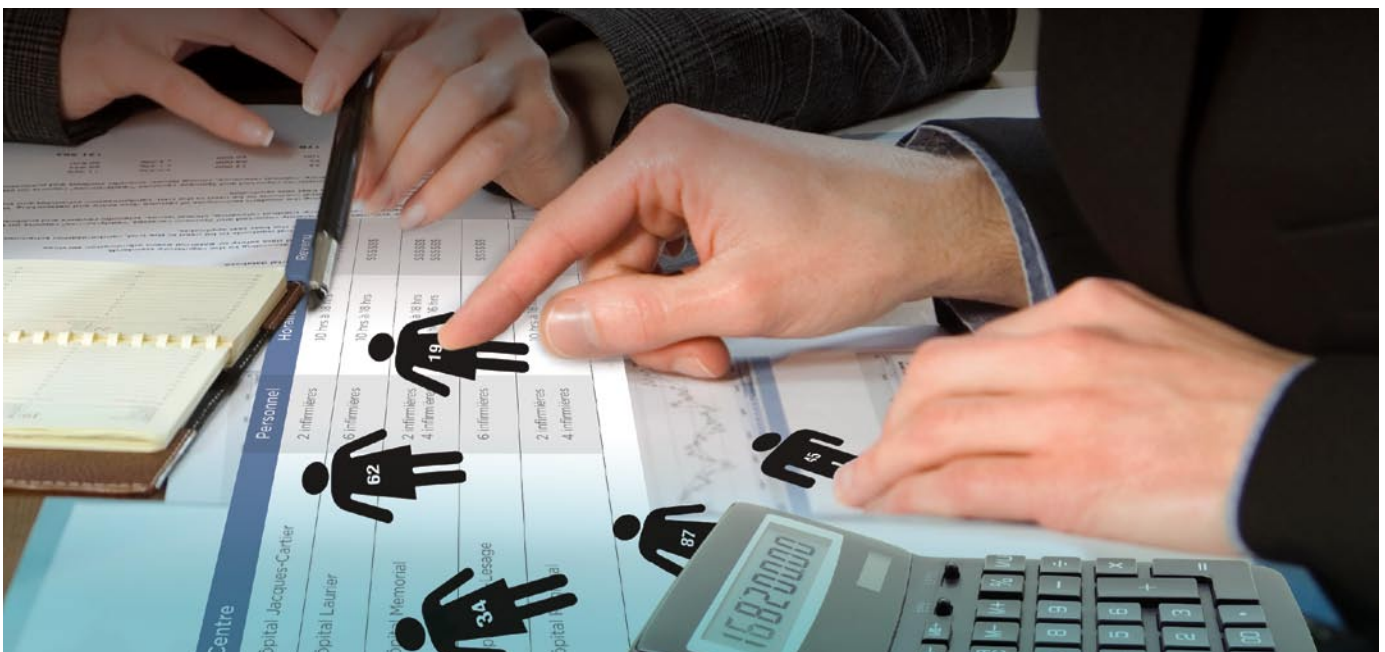
WE'RE ALL PAYING FOR IT.

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Word from the president



Illness becomes a business opportunity for the private sector.

The recourse to personnel from private for-profit healthcare employment agencies by employers of the public health network is not a new phenomenon. However, it has taken on a whole other dimension over the last few years and this tendency is of great concern for the FIQ, its affiliated unions and its care professional members.

The issue of recourse to private healthcare employment agencies goes beyond the simple question of union certification. It is also a question of the quality of professional care and services, of the safety of patients and of the protection of the public against the potential abuses of the private sector which in many ways is not subject to the same regulations as the public sector.

The growth of the private agencies and the hours worked by independent labour in the public network is at the heart of a major change in the work reality of care professionals by creating two classes of employees with different working conditions. The fight against the presence of private healthcare employment agencies in public institutions also fits into the fight aimed at avoiding, in a more or less short time period, that care professionals become a labour force to be leased, like any item of medical equipment would be.

Therefore, making the population of Quebec and the members of the FIQ aware of the situation turns out to be of primary importance. And, in order to ensure the best quality of public services and the population's right to health, the mobilization of members is also just as important because they ensure the long term survival of public institutions.

Who really benefits from the privatization of nursing and cardio-respiratory care in Quebec? The patients? The unions? The public network? The private healthcare employment agencies? The government and the public institutions have created a market for for-profit private agencies in order that they can exploit the illnesses of Quebecers to do business. Illness becomes a business opportunity for the private sector.

This FIQ Private Healthcare Employment Agencies Special Report will enable you to better understand the issues associated with this phenomenon and also, to develop a counter argument on the subject.

In Solidarity,

A handwritten signature in black ink that reads "Régine Laurent". The signature is fluid and cursive, with the first letter of "Régine" being particularly large and stylized.

Régine Laurent

A government willing to privatize

The Charest government has not stopped relaxing the regulations since its arrival in power in 2003 in order to facilitate subcontracting, slyly making it legal for private agencies to get into the public health network. To subcontracting is added the leasing of personnel from private healthcare employment agencies.

In 2005, the Charest government used the Chaoulli decision, rendered by the Supreme Court of Canada, to clear another step towards privatization by installing specialized medical centres, a location outside the hospitals where surgeries can be performed. Therefore, the government is creating a series of markets, funded by the budgets of the public institutions, in order to encourage the development of a private health sector.

The private healthcare employment agencies are growing at an unprecedented rate. Now, the purchase of hours worked by the personnel from private agencies appears beside the purchase of computer equipment and medical equipment. ■

The government is creating a series of markets, funded by the budgets of the public institutions, in order to encourage the development of a private health sector.

The shortage, a window of opportunity to exploit

It was in a pernicious and opportunistic fashion that the private sector gained entry on the care units, becoming the solution of choice, in the short term, for some employers in the network to respond to the growing problems of a care professional shortage. The care professionals unionized with the FIQ are suffering the harmful effects of the shortage on a daily basis, both in the quality of the care they provide to the patients and on their working conditions. In this context, the obligation to maintain continuity of services at all costs is a very heavy burden that they must assume alone more and more.

The problem of a care professional shortage in the public health network has become a window of opportunity for the private agencies to exploit for the gold standard of business.

For the public network it is a question rather of the vital issue of the long term survival of the institutions because to the shortage is now added the exodus of care professionals to the private agencies.

In reality, the private sector competes with the public sector by recruiting healthcare labour which it then leases work hours for to the public network.

The private sector makes a profit on the back of the public network which suffers from chronic underfunding.

Paradoxically, it is the public network which has the legal responsibility to provide care and services to the Quebec population and which becomes a captive client of the private sector which does not have this responsibility.

It must not be forgotten that the mission of the private sector is to make the most profit possible for its shareholders.

In short, the private employment agencies, far from increasing the number of care professionals, contribute to the increase in their rarity. The public network's recourse to personnel from these agencies is a bad remedy which, in addition to being expensive and ineffective for fighting against the shortage of care professionals in the institutions, contributes to the growing exodus and the privatization of dispensing care in Quebec. It therefore, creates a vicious circle of unwholesome dependence on the private sector by the public sector. ■



An economic sector in full expansion

There were 145 private healthcare employment agencies listed as of November 12, 2009.

Nearly 60% of public institutions used private healthcare employment agencies. In some institutions, it seems that the personnel from these agencies have worked up to 40% of the total hours worked.

The number of healthcare employment agencies, the diversification of their activities as well as the place they occupy in the public health institutions is worrisome. There were 145 private healthcare employment agencies listed as of November 12, 2009.

The services offered by private agencies have diversified over the last ten years: to the placement of staff is added, in particular, subsidized or non subsidized home care, medical imagery, travel and vaccination health clinics as well as staff training. Thus, the catalogue of job categories covered has grown: nurses, licensed practical nurses, beneficiary attendants, respiratory therapists, physiotherapists, occupational therapists, speech language pathologists, even head nurses. According to the information published in various newspapers in 2008-2009, nearly 60% of public institutions used private healthcare employment agencies. It appears that the personnel from these agencies have worked up to 40% of the total hours worked¹ in some institutions.

The significance that the private sector has taken in healthcare can be measured by the quantitative data. Most of this data comes from the MSSS and is taken from the annual financial reports of the institutions:

- In Class 1, the nursing and cardio-respiratory personnel from the private healthcare employment agencies worked more than 3 million hours in 2007-2008, as compared to 2.7 million hours in 2006-2007, which represents an increase of more than 18% in only one year.
- The institutions would have bought these work hours at a cost of 158 million dollars in 2007-2008, which is 3.5% of all the hours worked in the public health network.

More specific data comes from the institutions:

- The *CSSS de Saint-Léonard et Saint-Michel* registered, for the 2008-2009 fiscal year, 111,027 hours worked by personnel from private healthcare employment agencies for which they paid 3.5 million dollars. These hours represent 14.32% of the total hours worked.
- The *Direction des services aux personnes en perte d'autonomie* declared 63,942 hours worked by these personnel, for a total of 1.8 million dollars spent, which represents 34% of the total hours worked. The hours worked by private agency personnel increased by 4.5% in 2009-2010, just in this one administrative branch². ■

¹ BRETON, Pascale. « Le public fait de plus en plus appel au privé en santé », *Cyberpresse*, May 4, 2009, [On line], [www.cyberpresse.ca/actualites/quebec-canada/sante/200905/04/01-853248-le-public-fait-de-plus-en-plus-appel-au-privé-en-sante.php], (October 29 2009).

² Centre de santé et de services sociaux de Saint-Léonard et Saint-Michel, *Rencontre d'information concernant deux préoccupations d'actualité soit : La situation budgétaire de la direction et La pandémie (Grippe A)*, s.l., Direction des services aux personnes en perte d'autonomie, November 26, 2009, p. 6.



Devastating effects on the quality, safety and continuity of care

The introduction of personnel from private healthcare employment agencies into public institutions has effects on the quality, safety and continuity of care for patients.

Quality of care

On the subject of quality of care, it must be noted that because of the high turnover rate, the personnel from the private agencies know little about the patients and their needs. Furthermore, an owner of a private healthcare employment agency estimates that the annual turnover rate for his personnel is 40%.

Safety of care

As for the safety of care, it is important to remember the obligation for care professionals to hold a permit to practice. In spite of all this, many private healthcare employment agencies hire their personnel by telephone or by internet, without even meeting the people they refer to the institutions. With such a method, the verification carried out at hiring by the agencies must therefore be questioned. Professionals in the public sector must show their permit to practice at hiring and, in some cases, upon renewal each year, in order to continue to practice their profession. The pursued objectives are to ensure public safety and to see that decisions from the *conseils de discipline* (discipline committees) and the professional inspection services of the institutions are respected.

Continuity of care

The continuity of care is also affected by the introduction of personnel from private agencies. Indeed, the broad mobility of this personnel within the institution, even in the entire region, adversely affects the continuity of care for patients. In contrast, the loyalty of care professionals to the public health network and the development of their feeling of belonging to their institution contribute to the quality, safety and continuity of care. ■

Statistics from the OIIQ

Each year, the *Ordre des infirmières et infirmiers du Québec* (OIIQ) publishes a statistical report on the nursing workforce, using the registration form from the members entry on the roll. According to this data, the proportion of the nursing workforce in Quebec employed by an institution in the public network has decreased since 2004-2005, going from 86.5% to 84.2% (primary job and second job). According to the OIIQ, this proportion has been constantly decreasing since 2001.

Furthermore, the number of nurses practicing for the private healthcare employment agencies has increased by 44% since 2004-2005. The number of nurses working exclusively for a private agency is the one that has increased the most: 65% since 2004-2005. Followed by the group of nurses whose second employer is a private healthcare employment agency: 30% since 2004-2005.

The regions that register the largest increases since 2004-2005 are Lanaudière (120%), the Laurentians (68.2%), Outaouais (63%), Laval (46.9%), the Montérégie (38.5%) and Montreal (32.7%).

Effects on care professionals: unbearable situations

The shortage of qualified labour is an endemic problem in Quebec and it hits care professionals in the public network head-on. Indeed, many workers suffer unbearable situations due to the chronic lack of care professionals on their work teams and short-term management practised by the administrators of their institution. They must routinely shoulder a work overload and extend their work hours, whether voluntary or forced, in order to ensure the continuity of care and services.

Recognizing certain untenable situations, the public network employers offer to call in private agency personnel to help the care professionals. This outside help is vital for them, even if it comes from private healthcare employment agencies.

However, the increasing use of private agency personnel by the public network exacerbates the labour shortage and exodus and generates other problems for care professionals. They report a lack of assistance, especially when the situation intensifies and requires additional commitment, in particular. Despite the presence of private agency personnel, care professionals suffer the following negative effects:

- They are responsible for the heaviest and most complex cases;
- They must orient the private agency personnel without any assurance that these people will come back to work on their unit;
- They must work mandatory overtime in order to ensure the continuity of care;
- They must supervise and support the private agency personnel in order for them to be able to provide care on their unit.

Therefore, it is false to think, contrary to what private healthcare employment agencies pretend, that the private sector personnel are going to “save” the public health network and give a breather to the care professionals constantly facing a work overload. ■

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Without being able to estimate the extent of the under-estimate of the Ordre, the verifications carried out by the FIQ legal team demonstrate with certainty that the number of nurses stated to be working for private agencies is less than the reality. In fact, although the annual declaration by the members for entry on the roll is mandatory, some of them do not include all their employers. Here are two examples taken from the recent verifications made by the FIQ:

- In the Emergency Department at Hôpital Jean-Talon of the CSSS du Cœur-de-l'Île, of the 92 nurses covered by the verification, 59 did not declare to the OIIQ the private healthcare employment agencies for whom they had worked (64.1%).
- In the Emergency Department of the Hôpital Santa Cabrini, 36 nurses of the 75 covered by the verification did not declare the private agencies for whom they had worked (48%).

Without claiming that this data is representative, it still indicates all the same that the use of private healthcare employment agency personnel is not as marginal as first thought.



Effects on the unionized workers in the public sector: disparities in working conditions

The employers in the public network offer different working conditions to private agency personnel, in particular concerning:

- Salary;
- Choice of shifts;
- Availability on statutory holidays or during the vacation period;
- Reimbursement of travel expenses;
- Mandatory overtime hours.

This lack of fairness, this unjustness, creates a source of great frustration for care professionals in the public network. By adopting this double standard behaviour, the administrators in the public network are insidiously sending a troubling message and it de-motivates care professionals in the public network.

It is not surprising to see that many of them are leaving the public network or swing between it and the private agencies to try and benefit from working conditions perceived as being more advantageous in the short-term. Moreover, the private healthcare employment agencies bombard the members and the public in order to convince them that the private sector offers better working conditions and that the care professionals are happier in the private sector than in the public sector.

The public network administrators who encourage recourse to private agency personnel are responsible for the deterioration of the climate and their working conditions in their institutions. The increase in the unfair treatment for the same group of care professionals, whether from the private or public sector, causes conflicts, tensions and disrupts solidarity.

The public sector employers negotiate different working conditions with the representatives from the private agencies than those stipulated in the decree in lieu of a collective agreement that the Charest government imposed in 2005 on the unionized workers in the network. Paradoxically, it is these same employers in the public network who refuse to negotiate better working conditions for the unionized workers at the Quebec and local levels and who negotiate work contracts with the private agencies and some autonomous workers. ■

A good example

Here is a good example illustrating these salary disparities: in its call for tenders in August, 2009, the *CSSS du Cœur-de-l'Île* committed to pay the 13 statutory holidays in the collective agreement at time and one-half to the private healthcare employment agency personnel.

Union dues

Union dues are deducted based on the salary paid by the employers. This is a fundamental action in solidarity among the members to enable a group of care professionals to be represented by a union who, in the collective interest, defends their rights, insures justice between them and negotiates the same working conditions for all.


The FIQ represents 58,000 care professionals in Quebec. It is the legitimate, recognized organization for negotiating the working conditions of these professionals. The increasing activities of private agency personnel in the public health network can be a threat, in the medium and long term, on the representative character of the FIQ with the employers and the Quebec government. ■

Effects on citizens, the taxpayers: a very expensive dependency

The colossal amounts spent by the employers in the public health network to lease or buy care services from the private agencies are not without consequences for the taxpaying citizens, the employers, the government, the FIQ and its members. The dependency on the private healthcare employment agencies is very expensive for the employers. Indeed, they commit their budget for several years, although the budget is only granted annually.

- This dependency limits their margin of manoeuvrability for improving services for the population and prevents the improvement of local working conditions for care professionals.
- In addition, it reduces the available budget for recruitment of permanent personnel which would allow real competition with the private sector.
- Lastly, care professionals are continually submitted to the institution's financial recovery plans because of this dependency.

Because private healthcare employment agencies are profit-making enterprises, the money spent by the public sector doesn't return, in the same way, to the government's coffers as income tax to finance public services. Indeed, companies are not taxed in the same manner as individuals according to the revenue laws, because they benefit from several additional deductions. It is important to remember that the money devoted to nursing services bought by the public sector from the private sector would normally be paid as salary to care professionals who pay their income tax to the provincial and federal governments, thus contributing to the funding of public services. ■



This dependency limits their margin of manoeuvrability for improving services for the population and prevents the improvement of local working conditions for care professionals.

Effects on the public health network: an increase in the foreseeable costs

A larger dependency

As the hours worked by independent labour increase, so does the dependency of the public institutions on the private healthcare employment agencies. As such, this dependency aggravates the shortage rather than resolving it.

Most of the private healthcare employment agencies are small or medium enterprises, but some of them are multinationals. The possibility of the larger enterprises buying the smaller ones is very real. Furthermore, in a recent media report on the subject, *Girafe Santé* did not hide its intention of buying its competitors. *Accès Services Santé GSS*, a subsidiary of *Groupe Santé Sedna*, now has two subsidiaries: *Marie-Andrée Laforce* and *Infirmières du Suroît*.

This type of situation could lead to the creation of a monopoly or quasi-monopoly for the offer of care professionals' services from the private sector to the public sector. The creation of a monopoly or quasi-monopoly would have real consequences on the fees demanded by the private sector, because competition would become true fiction. ■



Counteract the increasing presence of private healthcare employment agencies

To counteract the increase of private healthcare employment agencies in the public health institutions, the FIQ intends to inform and sensitize the general public, the various levels of government, its union representatives and its members. Thus, various actions are foreseen, notably:

- Interventions with the MSSS, the government, professional corporations and the different media;
- Preparation and distribution of information tools;
- Approaches to the nursing and cardio-respiratory students;
- Use of legal recourses.

The members of the FIQ are therefore asked to monitor their union bulletin boards, to regularly consult the Federation's web site, to pay attention to the various interventions made by the FIQ with the Quebec media and especially to mobilize in order to stop the growth of the private healthcare employment agencies in the public health network. ■

The loyalty of care professionals to the public health network and the development of their feeling of belonging to their institution contribute to the quality, safety and continuity of care.

The **fiq**
A strong voice,
actions that count



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