



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

there is an alternative.

**Oct 25, 2016**

## Private Long Term Care and Home Care Zombies

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**U**BC economist Robert Evans calls user fees in health care zombies, a policy option that keeps surfacing despite being killed over and over again by the evidence. During Manitoba's recent provincial election Brian Pallister invoked zombies anew by saying that he would not rule out the introduction of private sector options in health care. This would be a mistake.

Evidence has piled up showing that for-profit delivery does not save money. Nor does it improve choice, quality or access. Indeed, it often does the reverse. And it reduces opportunities for public, democratic influence on health care.

The University of Manitoba's Evelyn Shapiro, a recipient of the Order of Canada, was widely known for her role in establishing and defending home care in Manitoba. She was central to the group that produced the evidence that killed a 1996 initiative to fund for-profit delivery of homecare in this province. In his 1997 report for the Canadian Centre for Policy Alternatives (CCPA), the University of Winnipeg's Jim Silver demonstrated that the for-profit company in question provided lower wages, was less attractive to qualified personnel, provided less continuity in care and encouraged the vulnerable people needing homecare to pay privately for additional services.

A significant number of for-profit corporations in this and other health care

sectors have been charged with fraud. The company that was briefly in Manitoba settled its numerous fraud charges in the US out of court. It is common practice by these corporations to initially provide a low bid for health services, and then to raise costs once the competition has been made to disappear. Since the 1990s, even more evidence against for-profit homecare has been published by the Manitoba CCPA and by others, but we still hear from advocates who promote the for-profit delivery of homecare.

The evidence against the for-profit delivery of nursing homes (called personal care homes in Manitoba) is equally clear. Nursing homes that are owned by for-profit companies tend to have lower staffing levels, even though low staffing levels have been widely linked to lower quality of care. The evidence indicates that for-profit homes are more likely to transfer their residents to hospitals, and their residents are more likely to die within a year of nursing home admission. For-profit homes have more verified complaints filed against them, and often have higher administrative costs. Yet their advocates in Manitoba and elsewhere continue to promote the for-profit delivery of nursing home care.

But the push also happens in more subtle ways. In one of the last pieces

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she wrote before her death, Evelyn Shapiro assessed in 2009 the impact of the move towards “aging in place” and the replacement of nursing home care with assisted living arrangements, supportive housing and retirement homes. She noted that these alternatives are appropriate for some seniors, enabling them to live in settings more like home and to exercise more control and independence about their lives than what is possible in a nursing home. She also noted however that these alternatives can mean the loss of life-enriching activities and quality care. Moreover, they come at greater personal cost, barring from entry the many seniors with modest or no financial resources. And governments avoid making firm commitments to filling the gaps left by reductions in nursing home availability. Too often, the reality is that aging in place is more about limiting the responsibilities of government than about fully meeting the care needs of seniors.

As Shapiro made clear, women in particular feel the negative impact of these alternatives because women on average live longer than men, are often sicker than men, and are less likely than men to have pensions and other financial resources. Without the income required to access alternative services, “choice” for these women becomes a cruel joke, especially when combined with the relative and even absolute cutbacks in nursing home beds that are now underway. And even if women (and men) are able to pay for access to alternative services, their access may be uncertain, for they may be forced out if their care needs become too heavy in the view of the alternative that admitted them in the first place.

In short, for-profit companies are not more efficient. They do not save governments money, and they offer neither better quality care nor more choice. They reduce democratic input. At the same time, they offer fewer benefits to those who provide care, whether paid or unpaid. And they increase inequalities in access to care.

*Dr. Pat Armstrong and Dr. Hugh Armstrong are Research Associates at the Canadian Centre for Policy Alternatives.*