

INVESTIGATION

Have nurses, will travel

During the pandemic, governments turned to private firms who sent staff from across the country at higher hourly rates. A Globe investigation focusing on one such nursing agency shows those weren't the only costs borne by taxpayers

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THE GLOBE AND MAIL
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ILLUSTRATIONS BY CORNELIA LI

As the Omicron variant of COVID-19 pummelled hospitals across the country in early 2022, health officials in Newfoundland held in their hands a document that promised a solution to their severe staffing shortages.

It was a contract from Canadian Health Labs, a Toronto-based private company new to the health care business.

CHL soon began recruiting nurses from outside the province as temporary help for badly understaffed Newfoundland health care facilities. And it did so quickly, even in relatively remote locations that are ordinarily hard to staff on short notice. The infusion of skilled expertise helped shore up hospitals and head off service cuts, including temporary closings of emergency rooms – interruptions for which provincial governments often bear the brunt of the blame.

But this help came at a heavy cost. CHL, part of a burgeoning for-profit health care staffing industry that began expanding aggressively during the pandemic, demanded payments that in some cases worked out to hourly rates of more than \$300 for each nurse, or roughly six times what a nurse on staff at a hospital in Atlantic Canada typically earns. The company's highest rates were more than double even those charged by its private-sector competitors. CHL nevertheless inked tens of millions of dollars in contracts with health authorities in Newfoundland, and later New Brunswick.

What registered nurses earn

General duty, acute care

PROVINCE (UNION)	HOURLY RATE
Canadian Health Labs	\$85 to \$100*
Ont. (ONA)	37.93 to 54.37
B.C. (BCNU)	40.21 to 54.28
Alta. (UNA)	39.21 to 51.46
Sask. (SUN.)	38.58 to 50.07
N.S. (NSNU)	39.76 to 49.01
Man. (MNU)	39.23 to 48.13
Que (FIQ, BScN)	27.08 to 47.98
N.L. (RNUNL)	37.86 to 47.16
PEI (PEINU)	37.85 to 46.19
N.B. (NBNU)	37.56 to 45.67
Que. (FIQ, CEGEP)	25.81 to 41.39

*According to interviews that The Globe conducted with nurses.

THE GLOBE AND MAIL, SOURCE: CANADIAN FEDERATION OF NURSES UNIONS

A Globe and Mail investigation of the health care staffing industry found that public spending on private nursing has skyrocketed since the start of the pandemic, placing strain on the budgets of public health authorities so desperately in need of extra hands that they have adopted a whatever-it-takes approach when it comes to costs. For example, Newfoundland spent \$35.6-million on staffing agency nurses from April to August of last year, up from an average of just over \$1-million annually before the pandemic.

To gain a sense of how the industry operates, The Globe delved into the workings of CHL. The Globe spoke with 35 people who had worked with the company or with its chief executive, Bill Hennessey, including 26 nurses. The investigation included searches of land titles, court papers and corporate registries, as well as 40 freedom of information requests, which produced more than 4,000 pages of documents, including hundreds of pages of CHL invoices and contracts. The records open a rare window into an industry that operates mostly out of public view, even though its clients are taxpayer-funded hospitals and nursing homes.

Although CHL wasn't the only agency to clinch contracts in Newfoundland and New Brunswick during this time, it charged more and invoiced for more things.

And it faced scrutiny in the Ontario Legislature. During Question Period on May 31, Ontario NDP critics France Gélinas and Joel Harden said a whistleblower had told them CHL had hired Ontario nurses away from the public system while turning huge profits, a development Ms. Gélinas called “sickening.”

Mr. Hennessey, an entrepreneur who ran an industrial cleaning products business before turning to health care during the pandemic, also sought profits in other ways. He set up corporations that provided accommodations and rental cars to out-of-province nurses. Those costs were reimbursed by CHL’s government clients.

Other expenses borne by taxpayers on behalf of CHL nurses included certification classes, a \$312 cab ride, Walmart furniture, pet transportation and, in one case, an air fryer. In another case, it’s unclear where the money went. CHL invoiced Newfoundland for \$1.6-million in meal allowances for nurses, even though the company’s contracts with nurses required them to pay for their own food. The Globe found no evidence of this money being distributed to nurses, and CHL and provincial officials did not respond to multiple questions about the expenses.

Because CHL did business in Newfoundland, which has the most open freedom of information system in the country, The Globe was able to examine the company’s operations in a way that isn’t possible in jurisdictions with more restrictive access regimes.



Staff work in the emergency department of Dr. Georges-L.-Dumont University Hospital Centre in Moncton, the main hub of Vitalité Health Network. The New Brunswick health service was CHL's biggest client.

DANIEL ST. LOUIS/SUPPLIED BY VITALITÉ HEALTH NETWORK



Bill Hennessey, shown in 2015, is the CEO of Canadian Health Labs.

AARON COBB/THE GLOBE AND MAIL

The Globe sent CHL and Mr. Hennessey 36 questions about their business practices. The company responded with a four-paragraph statement. “While contract rates for human health resources vary by region and specialty, the terms of CHL’s contracts with healthcare professionals are fair and transparent,” the statement said. It added that contracts “are tailored to meet each jurisdiction’s significant local needs, and reflect the extraordinary logistical challenges of getting and keeping health care professionals in rural, remote and underserved communities.”

The costs of using health care staffing agencies are why Newfoundland and Labrador Health Minister Tom Osborne, speaking in his province’s legislature in May, 2023, called temporary nursing, sometimes known as travel nursing, a “necessary evil” – necessary because of a national and international health care staffing crisis that has developed as nurses retire early, take fewer shifts or leave the public sector. But the solutions staffing companies offer aren’t permanent; they largely shift Canada’s finite pool of trained nurses from one place to another.

Several provinces are now trying to wean themselves off for-profit temporary nursing. Some union leaders are calling for a ban on agencies.

Others are searching for a middle ground. Lisa Levin, the chief executive officer of AdvantAge Ontario, which represents municipal and non-profit long-term care homes, said agencies serve a purpose and shouldn't be barred from the public system. "During the pandemic, they saved lives," she said. She lauded them for sending backup when COVID-19 depleted nursing home staff.

But now, some homes surveyed by Ms. Levin's organization say they are too dependent on agencies, despite the exorbitant rates they charge.

"We need the government to step in and hold temporary staffing agencies that are price gouging accountable," Ms. Levin said, speaking about the private nursing industry in general, not CHL in particular. "We also need them to address the health human resource crisis that has caused the reliance to such an extent on temporary agencies."



The regional hospital in Campbellton, N.B., lights up in the distance on a winter's night. The agency running it, Vitalité Health Network, made a deal with CHL to staff its hospitals; in one contract obtained by The Globe, CHL charged Vitalité the equivalent of \$300.72 an hour for a nurse.

What the health authorities pay to agencies

REGION AND AGENCY	HOURLY RATE
N.L. Western Canadian Health Labs ^{1†}	\$283.63 to \$312.25
N.B. Vitalité Health Network Canadian Health Labs ^{2†}	306.72
N.B. Vitalité Health Network Canadian Health Labs ^{3†}	300.72
N.L. Central Canadian Health Labs ^{4†}	172.22
N.L. Eastern 911 Nurses GTA	120 to 159.50
N.L. Central Northern Medical Connections	145
N.B. Vitalité Network Agence SPI ⁵	141
N.B. Vitalité Network Good Will Staffing ⁵	112 to 128
Ontario South West Gracious Home Healthcare, Greenstaff, Mimak, Medsag Inc. and We Care4U ⁶	72.5 to 125
N.L. Eastern, Central, Western, Labrador Good Will Staffing	120
Yukon Venture Healthcare Inc. ⁷	105.88
Quebec average hourly rate ⁸	101.88
Montreal Amika - Aide et soins à domicile ⁹	70.94
B.C.	70.47

†: Calculated from team rates in contracts.

1. Contract extended to Feb. 27, 2024.

2. Second nursing contract. Can extend to Feb. 5, 2026.

3. First nursing contract ended Sept. 30, 2023.

4. Contract extended to April 30, 2024.

5. Estimated rate, based on total amount invoiced and time worked.

6. Contracts of five agencies with Huron Perth Healthcare Alliance, which runs a network of hospitals in southwestern Ontario. In effect until July 31, 2024.

7. Contract ended Sept. 30, 2023.

8. Average rate for agency nurses in Quebec public healthcare system in 2022-2023.

9. Lowest bid for Montreal and several regions in major call for tenders issued by the Quebec government in Dec., 2022.

THE GLOBE AND MAIL

Private agencies have existed in Canada for decades, but they used to be peripheral. They provided staff to remote places, such as First Nations reserves and fly-in communities in the far North.

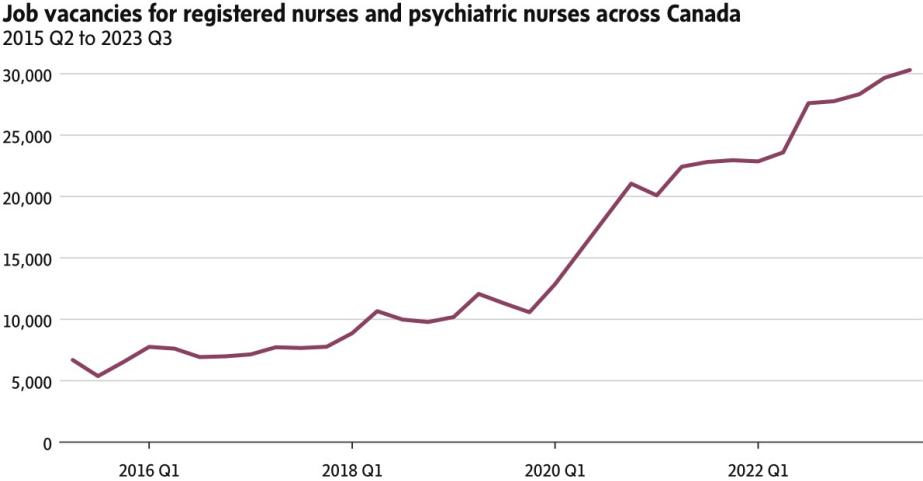
They also supplied workers for last-minute shifts at some urban hospitals and nursing homes. Although nurses who work for these agencies earn more per hour than they would working for public health care facilities, agency jobs usually have downsides: no pensions, no benefits and no guaranteed hours.

COVID-19 shifted the balance. The need was so great that nurses who left the public sector for private agencies could have their pick of hours, at more than twice what they earned before.

In the first quarter of 2020, before COVID-19 became entrenched, there were 12,860 vacancies for registered nurses and psychiatric nurses in the country, according to Statistics Canada. A year later, there were 20,090 vacancies – a 56-per-cent increase.

The number of unfilled RN jobs kept climbing: 22,860 in the first quarter of 2022, then 28,335 for the same period in 2023. That jump was “the highest numerical increase observed among all occupations across the labour market,” StatsCan wrote in a report in July. The categories with the second and third-highest increases in vacancies were licensed practical nurses and nurse aides, who typically have less training than RNs.

“In my 27 years of being a nurse, we’ve never seen a shortage as dire as we have in recent years,” said Paula Doucet, president of the New Brunswick Nurses Union.



THE GLOBE AND MAIL, SOURCE: STATISTICS CANADA

The lack of nurses forced health authorities to consider, and sometimes carry out, deep cuts to medical services.

Politicians are attuned to the public uproar that follows temporary closings of emergency departments and other cuts, which means they and their unelected counterparts in health leadership will do – and spend – almost anything to

avoid shutting down services, said Michael Gardam, former chief executive of PEI's health authority.

“It’s that level of desperation, of course, that agency companies thrive on,” he added.

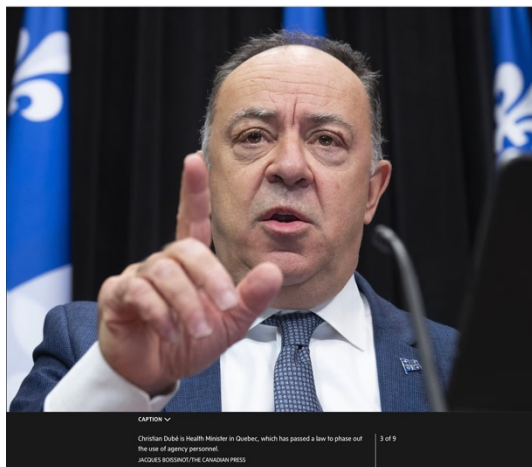
At an October meeting of Canada’s health ministers in Charlottetown, the host, Prince Edward Island Health Minister Mark McLane, told reporters he and his colleagues were well aware of the biggest challenges facing the health care system.

“The top three,” he said, “are staffing, staffing and staffing.”

The Globe asked health authorities in every province and territory which agencies they use, what they pay those agencies and if those costs changed recently.

Nova Scotia spent \$43.9-million on agency RNs for hospitals from April to September of 2023, 10 times what it spent in all of 2018-19. It also doled out \$50.2-million for out-of-province health workers at nursing homes in its 2022-23 fiscal year and \$36-million so far in 2023-24. The province enacted a policy in December limiting the number of days per year travel nurses can work.

Manitoba spent just over \$54-million on travel nurses in 2022 – the last year for which it provided data – up from \$23.3-million in 2019. Neighbouring Saskatchewan spent \$45.3-million on agency nursing in 2022, and \$20.8-million in the first six months of 2023, up from \$12.3-million in all of 2021. (The province didn’t track spending on travel nurses provincewide before the pandemic.)



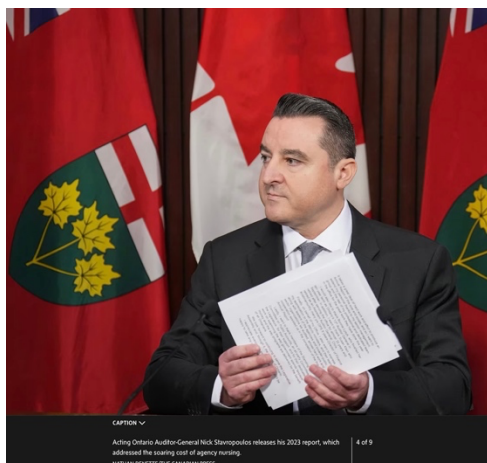
In Quebec, growth in the use of health care staffing agency personnel led the province to adopt Bill 10 last year. The legislation would gradually phase out agency use by 2026. Health Minister Christian Dubé blamed red tape and poor working conditions for pushing nurses toward the private sector. “The status quo is not a long-term solution,” he told a committee of the province’s legislature.

From 2018-19 to 2022-23, the contribution of agency personnel in Quebec’s public health care system more than doubled, from 1.99 to 5.06 per cent of the total time worked by nurses. The average rates agencies charged for nurses also soared, from \$62.33 to \$101.88 an hour. As a result, the financial burden of private staffing tripled, from 2.08 to more than 6 per cent of nursing labour costs.

In total for 2022-23, Quebec spent nearly \$578-million on agency nurses. In December, 2022, the province issued a massive call for bids on more than 8.4 million hours of work for agency staff.

Hospitals in Ontario collectively paid more than \$168.3-million in public funds to for-profit nursing agencies in the first three quarters of 2022-23 alone – more than four times the \$38.1-million the province’s hospitals spent on agency nurses in all of 2020-21.

Ontario’s acting Auditor-General, Nick Stavropoulos, raised the issue in his annual report in December, noting that for-profit nursing costs had skyrocketed in northern hospitals, in long-term care homes and in some emergency wards. Staff at one hospital told the auditor’s office they had become de facto travel agents for out-of-town workers. Another hospital even bought and maintained a property to house travelling nurses.



CAPTION
Acting Ontario Auditor-General Nick Stavropoulos releases his 2023 report, which addressed the soaring cost of agency nursing.
NATHAN DENETTE/THE CANADIAN PRESS

The agencies rely on a pool of nurses willing to try something different. CHL nurses who spoke to The Globe said they felt overworked, underpaid, and underappreciated in the public system.

The Globe is not naming them and other sources who have worked at CHL or still do, because they signed non-disclosure agreements.

University of Ottawa professor Ivy Bourgeault, director of the Canadian Health Workforce Network, a group of industry researchers and decision-makers, said private agencies often let nurses control their schedules, a perk rarely available to young staff nurses.

“If you don’t have the flexibility to manage the day-to-day demands on your time, you are going to look for an option that may pay you more money, but more importantly allows you to pick and choose where you’re working and when,” she said.



CHL’s involvement in Newfoundland’s health care system began with an e-mail. One evening at the height of COVID-19’s Omicron wave, Ken Carter, an aide to Newfoundland Premier Andrew Furey, received a message from a lobbyist who wanted to introduce him to a company that ran COVID-19 testing and vaccination.

“I think you’ll be very impressed with what they’re capable of,” the lobbyist, Jordan O’Brien, wrote in the Jan. 12, 2022, e-mail.

The company was CHL. Mr. Hennessey, who was copied on the introduction, chimed in. “We are extremely nimble and could get started essentially immediately if there is a need,” he wrote. Mr. Furey’s office confirmed that it had been introduced to Mr. Hennessey by e-mail, but said procurement decisions are made by health authority administrators.

Seizing an opportunity was nothing new for Mr. Hennessey. Over the years, he had founded companies that delivered lobsters and offered door-to-door trash pick-up during a Toronto garbage strike. He had also run companies that planned and held events, including annual Irish-themed bashes for which he trademarked the phrase “St. Party’s Day.”



On his LinkedIn profile, he says he is “extremely passionate about providing long term solutions” to Canada’s health care human resources challenges. The profile says the 39-year-old has “over 20 years experience in healthcare,” citing work he did as a student.

By the 2010s, Mr. Hennessey was selling sanitation products under the name Qwatro RoyalPak. During this time, in 2014, Ernst and Young Canada included him in a list of Ontario’s noteworthy entrepreneurs. He continued organizing events, including networking conferences with names such as the Cannabis Society, the Blockchain Society and the E-Gaming Society.

When the pandemic began in 2020, he pivoted to a new business. In the fall, he registered the web domain for Canadian Health Labs.

CHL began selling COVID-19 test kits. Then it began running testing and vaccination clinics.

Then, within three-and-a-half months of Mr. Hennessey’s introduction to Mr. Furey’s office, Newfoundland sole-sourced a contract to CHL worth as much as \$28.25-million. The company was to provide a service the province needed more than vaccination clinics: temporary nurses.



Newfoundland’s capital in the early days of COVID-19: The George Street statue of musician Ron Hynes wears a mask, while Premier Andrew Furey gives an interview at the Confederation Building. CHL first pitched vaccination and testing services to the premier’s office, then later signed nursing contracts with regional health authorities.
PAUL DALY/THE CANADIAN PRESS; KARA O’KEEFE/THE GLOBE AND MAIL

Newfoundland’s capital in the early days of COVID-19: The George Street statue of musician Ron Hynes wears a mask, while Premier Andrew Furey gives an interview at the Confederation Building. CHL first pitched vaccination and testing services to the premier’s office, then later signed nursing contracts with regional health authorities.
PAUL DALY/THE CANADIAN PRESS; KARA O’KEEFE/THE GLOBE AND MAIL

In early May, 2022, on the same day CHL sent its first-ever nursing invoice to the province, a caller to a show on VOXM, a St. John’s radio station, said ads circulating online were inviting nurses to come to Newfoundland for jobs paying \$70 an hour, plus accommodations.

Host Linda Swain inquired, and the province’s officials explained that the ads had been posted by CHL so that it could provide “travel teams of health care staff” to Central Health, a local medical authority that serves about 95,000 people in municipalities such as Gander and Grand Falls-Windsor.

With the exception of remote Labrador communities, travel nursing was new to the province. Pandemic-related staffing shortages had forced local authorities to reach outside for relief, Central officials said in a May 25, 2022, [briefing note](#) approved by John Haggie, who was then the province’s minister of health.

Internal documents show that Central was short 141 nurses, 70 of them full-time. Two agencies had been unable to attract enough nurses. CHL had promised 65 nurses by the end of June.

Two days after the VOCM show, Jerry Earle, the president of the Newfoundland and Labrador Association of Public and Private Employees, the province's largest union, wrote to Mr. Haggie and Finance Minister Siobhan Coady. "You pay a private company to fly workers in here at additional costs while the local workers who've given so much of themselves in the past two years to get us through this pandemic are treated as second class workers," his May 11 letter said. He asserted that CHL was "clearly making a sizable profit."

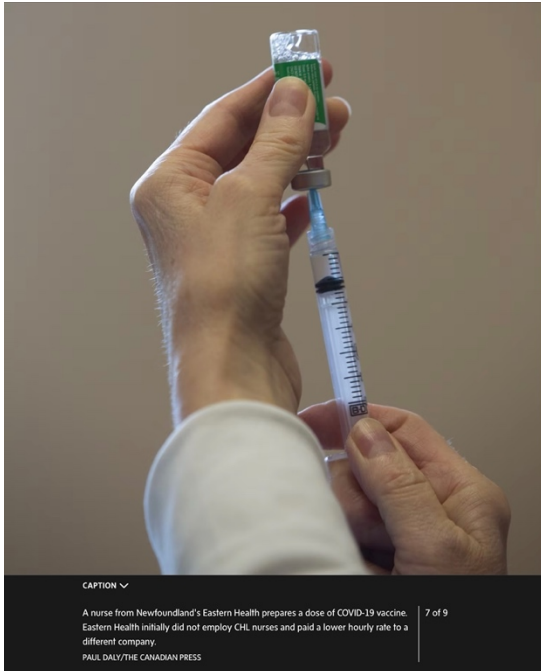
But neither Mr. Earle, nor anyone outside of CHL and the health care bureaucracy, knew just how much money the company was taking in.

CHL's one-year contract with Central, effective April 30, 2022, had a cap of \$28.25-million, not including travel, accommodations, rental vehicles or other expenses the nurses incurred. It was later extended to Feb. 27 of this year, adding \$16-million to the cap.

Unlike other agencies, which charge hourly rates, CHL told Central that its staff came in teams. For \$15,480, Central would get a 12-hour shift from a team of eight RNs, one "virtual clinic lead" and one "virtual operations lead." The contract doesn't explain what those virtual jobs entailed. The result was that CHL's hourly costs were not explicitly laid out in the contracts, unlike at other agencies, which included their overhead, such as support staff, in their hourly rates.

In order to reflect the actual cost of getting a nurse into a health care facility, The Globe excluded the virtual positions from its calculations of CHL's hourly rates, and divided the team rates by the number of nurses the company provided. By this measure, Central was effectively paying CHL \$161.25 for each hour of work from a nurse. Around the same time, the province's eastern health authority had inked a contract with another agency, GoodWill Staffing. Their hourly rate for an RN was \$80.

CHL's contracts provide for annual increases pegged to inflation. Starting May 1, 2023, it began billing Central the equivalent of \$172.22 an hour. (Like all staffing agencies, CHL passes on only a portion of its fees to its nurses.)



CAPTION ▾

A nurse from Newfoundland's Eastern Health prepares a dose of COVID-19 vaccine. Eastern Health initially did not employ CHL nurses and paid a lower hourly rate to a different company.

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PAUL DALY/THE CANADIAN PRESS

The Globe asked CHL about its pricing system. In its statement, CHL said that its “team-based models are tailored to the needs of the local health authority.”

“CHL compensation packages include competitive hourly rates and wraparound supports such as housing, travel accommodations, and infield onboarding services, which increase the retention of healthcare professionals to the benefit of local communities,” the statement added.

The Globe also sent Newfoundland officials detailed questions about the contracts.

Newfoundland and Labrador Health Services, the entity now responsible for regional medical authorities in the province, including Central, said in a statement that it was created last year and therefore can’t comment on contract decisions made by “previous organizations.”

Newfoundland’s Health Department said in a statement that “given the ongoing staffing challenges and the need to support staff, travel nursing agencies have been used to ... fill vacant positions, avoid disruptions, and provide human resources relief.”

The rates CHL negotiated in Central pale in comparison to those it began receiving when it expanded to the island’s west, where Corner Brook and Stephenville are located.

Western Regional Health's distress can be detected in records obtained through access to information. On June 27, 2022, the authority's interim CEO, Michelle House, checked on negotiations with CHL in an e-mail to an assistant deputy minister. "Any update on this? Really rough weekend with staffing," she wrote.

Three days later, Western signed a deal with CHL. The hourly rates worked out to \$283.63 for general RNs and \$312.25 for specialty nurses. CHL nurses who spoke to The Globe said they were paid between \$85 and \$100 an hour while working in Newfoundland.

A July 7, 2022, briefing prepared by Health Department officials and approved by Mr. Haggie, the former health minister, said reasons for the higher rates included the fact that Western had signed its contract later than Central, at a time when "demand for agency nurses [and prices] have increased."

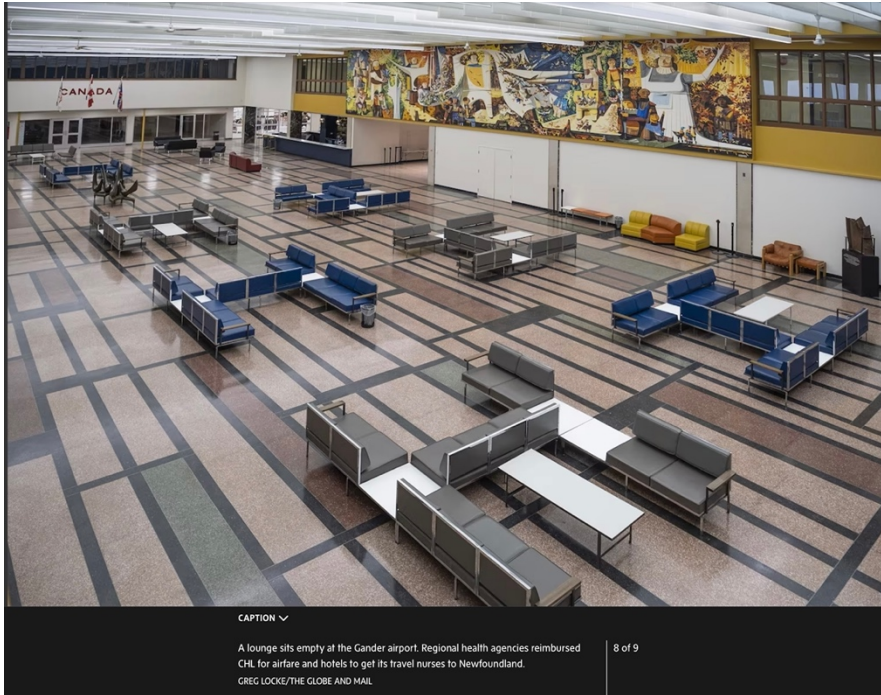
In an interview, a former CHL administrator said officials had little choice but to turn to his agency, despite its limited track record. "You have a massive need and crisis, and we had nurses willing to go, because we were paying them more," he said.

Bringing dozens of nurses from across Canada to small-town Newfoundland turned into a costly logistical process.

But CHL's willingness to cover all sorts of expenses was behind its recruiting success, one nurse explained. "CHL seemed to reimburse everything, almost, in terms of courses, licensing, education. So that was quite significant. And I think that's why a lot of people joined," he said.

Those reimbursements were ultimately funded by taxpayers. CHL billed health authorities for the nurses' police checks, for their professional liability insurance, their tuberculosis tests, their \$412 Newfoundland nursing licences.

Some nurses needed further certifications. So CHL charged Newfoundland \$232 to \$680 for each staffer who took courses on topics such as trauma nursing or pediatric life support. In one case it charged \$155 for a nurse's textbook.



CAPTION ▾

A lounge sits empty at the Gander airport. Regional health agencies reimbursed CHL for airfare and hotels to get its travel nurses to Newfoundland.

GREG LOCKE/THE GLOBE AND MAIL

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CHL covered airfare, and hotels during layovers. To help nurses stay longer in the field, the company allowed them to drive to Newfoundland, so they could bring more personal belongings. One-way mileage costs from Ontario ran as high \$2,065, plus hotels along the way. One nurse drove from Saskatchewan, another from northern Alberta. A nurse from Vancouver Island claimed \$3,741 in mileage.

Once they arrived, some stayed in hotels or Airbnbs, for \$4,000 a month. Others were assigned rented apartments that had to be furnished. Their expense claims included items such as “Rogers Bill,” furniture from Walmart and, in one case, a \$68.95 air fryer.

Some nurses took cab rides between airports and their homes that cost between \$230 and \$312.

One significant cost that CHL passed on to taxpayers was meals for its travelling staff. As part of its contracts, CHL invoiced Newfoundland health authorities for dozens of per diems that it said it was incurring daily. Initially, the per diems were \$50.20 for three meals, but they were indexed last summer to \$60.24.

CHL billed for more than 87,000 meals, totalling almost \$1.6-million.

But The Globe found that nurses were told they had to pay for their own food, raising questions about why public funds were paid to CHL for an expense that appears not to have been incurred.

The Globe spoke with 26 nurses who worked for CHL in Newfoundland in 2022 and 2023. All said they had not received money for meals. Contracts signed by the nurses – copies of which were obtained by The Globe – said specifically that “food/groceries/take out is the sole responsibility of said contractor and CHL does not provide any financial reimbursement.” (CHL hires nurses as independent contractors rather than employees.)

That language was also consistent with some ads that CHL used to recruit staff.

Two weeks after its contract with Central went into effect on April 30, 2022, CHL advertised job openings on Facebook. “You can make up to 12k per month with zero cost of living (other than food) all while travelling to our many contracts across Canada. We are currently seeking registered nurses to travel to Newfoundland,” the May 13 post said.

Three sources who worked at CHL said the company at times offered an explanation for this: it told people who inquired that nurses’ paid breaks were the equivalent of meal allowances. But invoices obtained by The Globe show that CHL billed health authorities for meals even when nurses weren’t on duty, and therefore weren’t taking breaks. And this policy was not explained in contracts seen by The Globe.

The Globe sent written questions to CHL on three separate occasions about its practice of billing for meal allowances. The company never addressed the questions.

Mr. Hennessey was also developing another source of revenue. By last August, CHL was invoicing Central more than \$11,000 a week for rentals of eight vehicles from Canadian Sustainability Labs, a company that lists him as its sole director. Similarly, CHL’s contracts in New Brunswick gave it the right to be reimbursed for renting cars from a company called Canadian EV Labs, which also lists Mr. Hennessy as its director.

In August, 2023, CHL brokered two other contracts with Newfoundland, one for ER nurses and one for nurse practitioners. E-mails show that the company also pitched a new line of business called “CHL 4.0.” CHL wanted

Newfoundland to pay it to recruit 100 overseas nurses and settle them with “A-Z white glove” service.

If Newfoundland agreed, CHL’s contract said it would provide nurse practitioners for \$130 an hour. If not, the company would charge \$235 an hour.

Health officials declined, and invoices show Newfoundland and Labrador Health Services is paying the higher rate.



A February snowstorm blankets Campbellton, where retiree Francine O’Brien spoke with The Globe about her experiences with CHL. A company linked to Mr. Hennessey bought the building where Ms. O’Brien lived, and tried to terminate the leases to make room for travel nurses. CHRIS DONOVAN/THE GLOBE AND MAIL

CHL's contracts with New Brunswick's francophone medical authority, the Vitalité Health Network, are even larger than its Newfoundland deals.

Vitalité has refused to release any documents The Globe has requested concerning CHL, citing an exemption in New Brunswick's freedom of information legislation for commercial interests – despite past rulings by the province's Privacy Commissioner that contracts between public bodies and private suppliers shouldn't be kept secret, except under exceptional circumstances supported by clear, specific reasons.

The Globe nevertheless obtained copies of three contracts between Vitalité and CHL. The first, which ran from July 29, 2022, to Sept. 23, 2023, for a maximum of \$20-million, provided a mix of registered and licensed practical nurses at the equivalent of \$300.72 an hour. Licensed practical nurses are typically paid less than RNs.

A second contract, with a maximum of \$45-million, supplied personal support workers at \$162.29 an hour.

The largest deal went into effect on Dec. 2, 2022, and runs until February, 2026, with a cap of \$93-million. It effectively charges Vitalité \$306.70 an hour for a nurse.

According to data that the New Brunswick Nurses Union obtained through access to information, most of the money that Vitalité spends on temporary staff goes to CHL. From July, 2022, to August, 2023, the medical authority paid \$53.5-million to four agencies. CHL received 83 per cent of it, around \$44.3-million.

“Paying travel nurses three times what a salaried New Brunswick nurse earns makes no sense,” Ms. Doucet, the NBNU president, said.

Vitalité declined to address The Globe's detailed questions about its contracts with CHL. Instead, it issued a statement from its CEO, France Desrosiers, emphasizing that it was facing an acute staffing shortage that could have forced hospitals to close.

Another costly feature of the New Brunswick contracts is a phrase in a section about travel and accommodation. It says Vitalité is responsible for reimbursing these expenses “not exceeding current market rates for rental vehicles and/or hotels/Airbnbs.”

Those words committed Vitalité to reimbursing CHL at hotel-like rates even as the company eventually began lodging its personnel in regular apartments.

In Moncton, Campbellton and Edmunston, three cities where CHL supplied nurses, Canadian EV Labs and CSL RE Inc., two companies that list Mr. Hennessey as their sole director, purchased five properties between 2022 and 2023. A CHL nurse confirmed that while working in New Brunswick she was billeted at one of those properties.

Last spring in Campbellton, a mostly French-speaking city in northern New Brunswick, a notice arrived for tenants of a seven-unit building on Andrew Street. The new owner, CSL RE Inc., wanted to terminate their leases. “I was stunned,” recalled one resident, Francine O’Brien.

CHL had a contract to staff Campbellton’s hospital, and Ms. O’Brien was among several retirees being told to make room for travel nurses. The community is in the midst of a housing shortage.

The tenants who had to relocate were in their 70s and 80s, said another resident, Geraldine Levesque. They were paying between \$1,000 and \$1,100 a month in rent. “When we had moved there, we expected to be there for the rest of our life. After four years, getting a letter like that, it’s a shock,” she said.



Ms. O'Brien and Geraldine Levesque used to live in this apartment building in Campbellton until its owners decided it should house travel nurses.

CHRIS DONOVAN/THE GLOBE AND MAIL

As it supplied nurses to Newfoundland and New Brunswick, CHL looked for other markets. In 2023, it hired a lobbyist to help it bid on a massive call to supply agency health workers across Quebec.

But CHL made no further inroads. Quebec gave priority to lowest-bidding firms, and CHL was not on the list of companies pre-screened by the province's public procurement authority.

Mr. Hennessey has started a new company dedicated to overseas health care recruitment, World Health Labs, registered in Barbados. He is the sole director.

In a job posting last year for an executive assistant to Mr. Hennessey, World Health Labs said the CEO is “quite demanding ... works 100+ hours a week from a variety of time zones ... lives between Barbados, Nice (France), Toronto, Atlantic Canada and Miami.”

Although New Brunswick and Newfoundland officials say they are working on better ways to recruit and retain health care workers, travel nursing will remain a reality for a while.

“It would be irresponsible as a health care organization to phase them out completely at this time, given the immediate needs to be met,” Dr. Desrosiers's statement said.

Vitalité, she said, won't be in a position to phase out travel nurses completely until the winter of 2026. CHL's longest-running contract with New Brunswick ends on Feb. 5, 2026.

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