

Nurses' unions call for auditor-general probes into public contracts with private staffing agencies

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The Campbellton Regional Hospital at night on New Brunswick's north shore. (02/04/2024)(Chris Donovan/The Globe and Mail)

CHRIS DONOVAN/THE GLOBE AND MAIL

The high costs charged by private nursing agencies threaten the public health care system and need to be investigated by Canada's auditors-general, union leaders say, after a Globe and Mail investigation into the impact of temporary personnel in Newfoundland and New Brunswick.

The [Globe's investigation](#) found that public spending on private nursing has skyrocketed in Canada since the start of the pandemic, as burnout and early retirements worsened a staffing shortage and forced many health authorities to pay high rates for temporary workers. In some provinces, annual spending on nursing agencies ballooned into the tens or hundreds of millions of dollars in the span of just a few years.

The investigation focused on one such company, Canadian Health Labs, a Toronto agency with a major share of nursing contracts in Newfoundland and [New Brunswick](#).

The company invoiced what The Globe calculates to be rates that are twice what other agencies charge.

Linda Silas, president of the Canadian Federation of Nurses Unions, said her organization will write this week to all of Canada's auditors-general and health ministers, urging them to investigate the costs and impact of agency nursing.

[Newfoundland](#) once only used travel nurses to staff remote communities but significantly increased their involvement in recent years.

In the past three years, the proportion of hours worked by agency nurses in the province surged from 0.3 per cent to 5.4 per cent. The province 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.

CHL currently charges Newfoundland's western region the equivalent of \$312.35 an hour per specialty nurse and \$283.63 per regular registered nurse. The central region pays CHL the equivalent of \$172.22 an hour per RN.

Public-sector RNs in Newfoundland earn between \$34 and \$42 an hour. CHL nurses interviewed by The Globe say that they were paid between \$80 and \$100. The Globe agreed not to name the nurses because they signed non-disclosure agreements.

In a statement to The Globe before the investigation was published, CHL said that the terms of its contracts vary by region and specialty and are "fair and transparent." CHL added that its 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 statement also said the contracts include logistical supports, "which increase the retention of health care professionals to the benefit of local communities."

In response to queries from The Globe, health authorities that signed contracts with CHL said they were facing drastic staffing shortages.

The Globe investigation also found that CHL billed Newfoundland for \$1.6-million in meal allowances for its personnel, although contracts it signed with its nurses stipulate that food isn't included. The Globe reached out to 26 nurses who had worked for CHL and none said they had received meal per diems. CHL has not answered Globe queries about the discrepancy.

"The Auditor-General of Newfoundland and Labrador should be having a look," Yvette Coffey, president of the Registered Nurses' Union Newfoundland & Labrador, said in an interview.

“I did not realize the magnitude and the shocking cost. It’s unbelievable.”

Jerry Earle, president of the Newfoundland and Labrador Association of Public and Private Employees, had expressed concerns about costs when CHL first arrived in 2022.

“The Auditor-General needs to go in and do a full-fledged investigation and be open and transparent with Newfoundlanders and Labradorians about what she finds,” he said in an interview.

In New Brunswick, CHL’s current nursing contract with the Vitalité Health Network is in effect until 2026, with a cap of \$93-million. It charges the equivalent of \$306.70 an hour for a nurse. Public-sector New Brunswick registered nurses earn between \$37 and \$45 an hour.

The New Brunswick agreement also allows CHL to bill Vitalité at hotel rates to accommodate its personnel, even though The Globe found that they were lodged in apartments.

“We’re going to be calling on the Auditor-General to be digging a little bit deeper into some of these contracts,” Paula Doucet, president of the New Brunswick Nurses Union, said in an interview.

The Globe also found that companies affiliated with CHL bought properties in New Brunswick and, in one case, tried to terminate the leases of local tenants to make room for travel nurses.

“I can only imagine how demoralized nurses who have been working in New Brunswick for years feel when they see this. And I also have a real sense of the gross overcharging by CHL and think that’s unacceptable,” Susan Holt, Leader of New Brunswick’s Official Opposition Liberals, said in an interview.

She said the Auditor-General “would be well positioned to dig in and help give New Brunswick clarity.”

Jolyne Roy, a spokeswoman for New Brunswick Auditor-General Paul Martin, didn’t immediately reply to a request for comment.

Chrysta Collins, a spokeswoman for Newfoundland Auditor-General Denise Hanrahan, said her office does not comment on policy decisions but added that “we would be happy to discuss our audit work if the opportunity should arise.”

Ms. Silas of the Canadian Federation of Nurses Unions said she already wrote in April, 2022, to the 11 federal and provincial auditors-general, urging them to audit the private agencies.

Agency nursing “affects the continuity of care that patients and residents receive, and represents a loss of millions of dollars – money that could be better invested in strengthening Canada’s public health care,” she wrote.

The only commitments she got back came from federal Auditor-General Karen Hogan and then-Ontario auditor-general Bonnie Lysyk.

Ms. Lysyk’s interim successor, Nick Stavropoulos, released audits in December that found the use of agency nurses in northern hospitals had soared, and that Ontario isn’t adequately tracking spending for private nurses.

Ontario NDP health critic France G  linas first raised concerns about CHL in the legislature last year. In an interview, she said that after reading The Globe’s investigation, “I have steam coming out of my ears.”

The [Ontario](#) government played a role in the growth in travel nursing, she said, blaming Bill 124, which limited public-sector wage hikes. Last week, the Ontario Court of Appeal upheld a ruling that the legislation is unconstitutional, and the provincial government announced it would not appeal it further.

Ms. G  linas argues Bill 124 contributed to the exodus of Ontario nurses toward private agencies. “There was no respect for them in the public system.”

Ms. Doucet noted that Vitalit   has declined to release documents concerning CHL. “They have to be more transparent,” she said.

Health officials told The Globe that the need for agency nurses will decrease as they improve staff recruitment but both Ms. Silas and Ms. Holt said that it is also crucial to improve working conditions to retain health care personnel.

Sylvain Brousseau, president of the Canadian Nurses Association, said governments must ensure that the public health care system is a more attractive employer than agencies. “We took it for granted that nurses would remain inside the health care system,” he said.

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