Spindel & Associates
Education and Consultation in the Health and Human Services

PROFIT, POWER, AND POLITICS:

THE STORY OF LONG TERM CARE IN ONTARIO

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Preamble

There are 630 long term care facilities that are licensed and approved to operate by the Ontario government - 78,000 residents reside in them (Star Editorial Board, July 13, 2018), most with some degree of cognitive disability, making them among the most vulnerable people in Ontario. For-profit organizations operated 57% of long term care beds in 2016, with only 24% run by charitable non-profit organizations, and 17% by municipalities (OLTCA, 2016).

Since 2016 more beds have been awarded - 30,000 additional beds are planned by 2030 by the Ford government in a continued expansion of an outdated, facility-based system of warehousing older, disabled adults that has been shown to be a dangerous option during the 2020 pandemic. Disabled older adults are the only group to endure this level of institutionalization in Ontario, with deinstitutionalization and community living options being available for individuals with disabilities in every other age group. For this reason some have referred to this as systemic ageism (Lessard, 2020; Till, 2020).

Long term care received $4.3 billion dollars of taxpayer's money in 2018, and likely receives even more now. For-profit companies have gained a much larger market share of this lucrative system thanks to former PC Premier Mike Harris who expanded the for-profit sector in long term care during his tenure (Cohn, May 4, 2020). Harris is now Chair of the Board of Chartwell Retirement Residences, one of the largest long term care providers in Ontario (Chartwell, 2020).

The provincial lobby group for the for-profit long term care sector is the Ontario Long Term Care Association while AdvantAge represents non-profits – charitable and municipally operated facilities (Noorsumar, April 1, 2020).

It has been known for a long time that for-profit care is not good care. "..a recent PriceWaterhouseCoopers study commissioned by Ontario showed that Canada also lags well behind countries like the Netherlands, where nursing homes are entirely publicly run. Indeed, public vs. private is the great divide according to research in the field. A 2001 study of almost 14,000 U.S. nursing homes by Harvard University and the University of California at San Francisco concluded that, in the U.S., "Investor-owned nursing homes provide worse care and less nursing care than do not-for-profit or public homes." Other assessments in the U.S., Australia and the U.K. determined that private chains succeed in persuading governments to relax regulation at the expense of residents." (Lorinc, 2003). Numerous additional studies have proven the same thing. So the question then becomes, “Why does nothing change?” The answers lie in the amount of power wielded by large multi-national long term care corporations, and their stranglehold on governments that end up doing their bidding. It is a game of profit, power, and politics and those who suffer are vulnerable residents of long term care facilities, their families, and the low-paid staff who work in them.

What’s Wrong With Profit In Long Term Care?

Spokespersons for the well-heeled lobby groups in the long term care industry have, over the years, tried to make concerns about profit an ideological issue in this sector. Their argument in lobbying for private for-profit facilities in the first place was that they could more effectively and efficiently (meaning at less cost) provide these services. Since their success in expanding private, for-profit residential care in Ontario and gaining a stronger foothold, they have focused on calling for funding parity with not-for-profits, who they had earlier argued were not as efficient (Spindel, 1995).

For the past few decades lobbyists for the for-profit sector have repeatedly demanded more funding, claiming that the significant abuses in long term care documented in press reports over many decades were the result of under-funding of the system by the Ontario government. So much for the effectiveness and efficiency argument.

Unfortunately, at the same time as they have demanded more funding for long term care institutions, they have also argued against tough enforcement of provincial regulations and inspections, and succeeded at so well that the Ford government has all but eliminated comprehensive yearly inspections called Resident Quality Inspections (RQI’s).

This industry has also fought tooth and nail to avoid releasing how much profit they are actually making. This lack of public financial accountability has, however, not stopped them from continuing to demand more taxpayer dollars.

What we essentially have now in Ontario is a highly profitable private sector, constantly calling for even more money, but the failure to deliver even basic care to residents has been documented for decades. The pandemic has merely highlighted their failures.

The Track Record Of The For Profit Long Term Care Industry In Ontario

According to press reports during the pandemic, those who live in for-profit long term care facilities in Ontario were much more likely to become infected with COVID 19 and die than residents of not-for-profit facilities. Even though these facilities were hit with coronavirus at approximately the same rates, the way the disease was managed was very different. A Toronto Star analysis showed that “In homes with an outbreak, residents in for-profit facilities are about twice as likely to catch COVID-19 and die than residents in non-profits, and about four times as likely to become infected and die from the virus as those in a municipal home"(Oved et al, May 8, 2020). The Star found that the for-profit homes "fared worse in controlling the outbreak and preventing deaths. Overall for-profit homes make up less than 60 per cent of long term care homes in the province but they account for 16 of the 20 worst outbreaks" (Oved et al, May 8, 2020). It would seem that municipally-operated homes were the safest residences during the pandemic; so much for the effectiveness and efficiency argument that established these for-profit facilities in the first place.

Of the four facilities into which the Canadian military was sent to help control the COVID-19 outbreak, three were operated on a for-profit basis. In reviewing the report issued by the military, the for-profit homes had two to three pages of neglect and abuses documented where the not- for-profit had a mere half page (4th Canadian Division Joint Task Force (Central) report, May 20, 2020).

Studies have shown that non-profit facilities provide higher quality care with fewer care-related issues such as pressure ulcers and hospitalizations due to pneumonia, dehydration and anemia. Furthermore, non-profit homes also spend more on direct care and staff hours than for-profits, and this has a direct bearing on amount and quality of care (Comondore et al, April 21, 2009; Jabbar & Razza, May 6, 2020).

In British Columba the Seniors' Advocate stated that some direct care workers in for-profit homes were paid 28 per cent less than in not-for-profits (Jabbar & Razza, May 6, 2020). Lower wages were often associated with higher staff turnover which disrupts continuity of care (McGregor et al, 2005).

For-profits also tend to provide less care. "Not-for-profit facility ownership is associated with higher staffing levels. This finding suggests that public money used to provide care to frail eldery people purchases significantly fewer direct-care and support staff hours per resident-day in for-profit long-term care facilities than in not-for-profit facilities" (McGregor et al, 2005).

At the beginning of May, 2019, hundreds of SEIU health care workers held rallies in front of Revera Inc. retirement homes across the province demanding more investments in resident care and increased staffing levels. The President of SIEU called understaffing at long term care and retirement homes an epidemic (SIEU, May 4, 2019). This "epidemic of understaffing" occurred less than a year before the pandemic hit, leading to high death rates in these facilities.

Staffing

The activities of the for-profit long term sector and its interrelationships with government have put advocates for social change in a bind. On the one hand, no one wants to throw more money at an institutional sector, largely operated for-profit, with few accountability mechanisms in place to ensure that any funding government might provide would even find its way into staffing and supplies instead of the pockets of wealthy owners and shareholders.

For-profits more than other homes save money on staffing which makes up the bulk of their costs. Using casual, part-time staff who are not paid benefits cuts their costs as full-time staff would clearly cost a lot more. Similarly, using less qualified staff who can be paid less instead of more highly paid RN's is also a common for-profit tactic in order to cut costs (Mojtehedzadeh, April 19, 2020).

Other homes are also sometimes severely short staffed. A Director's Order issued in 2018 against Riverside Health Care Facilities Inc. orders a review by an external consultant.[1] The order states: "In December 2017, insufficient staffing resulted in 607 Personal Support Worker (PSW) hours unfilled, subsequently in January 2018, an additional 628 PSW hours went unfilled." The short staffing directly resulted in residents not receiving scheduled baths; snacks and fluids not given; call bells not answered; mechanical lifts being done by only one person when two were required; new skin breakdowns which often occur when residents are not regularly repositioned or turned; and a resident falling and being injured in a resident to resident incident without staff being available to intervene.[2]

Consequently, it is clear that this outmoded, dangerous for-profit institutional system of care needs to be eliminated in favor of non-profit smaller, more humane community-based aging in place and residential options as soon as possible.

Having said that, there are tens of thousands of vulnerable people currently in its care who are being neglected and often mistreated in these facilities now. Ontario is the only province where a minimum care standard (hours of care) is not legislated. It would not be unreasonable to expect 4.5 hours per resident per day. Dalton McGuinty ran on standardized staffing, but failed to deliver it. A Coroner's Inquest in 2005 recommended a legislated care standard, as did

[1] See Director's Order http://publicreporting.ltchomes.net/en-ca/File.aspx?RecID=19457&FacilityID=21291 It is unclear who the external consultant was to be and it is an important question since concerns have been raised about some of the Inspection Branch's decisions over the years as well.

[2] Riverside is listed as a not for profit, which raises the question of why for-profit homes with similar short staffing were not also subject to Director's Orders of this nature.

the Sharkey Report of 2008[3], which George Smitherman, then Health Minister, ignored (Panos, February 18, 2016). Ontario still has no legislated standard of care. And very likely, if it were to try to legislate one, the lucrative long term care industry, and its lobbyists, many of whom have government ties, would no doubt ask for more money.

So we face a dilemma. The ideal solution is to begin to invest heavily in non-profit aging in place and community residential options instead of dumping millions more into largely for-profit long term care, but in the meantime, residents need to be protected.

Perhaps the best interim solution is what was done in the 1980's - have the Director of the Inspection Branch issue staffing directives to homes that are understaffing. That would prevent bad money being thrown after good into an outdated system, while also preventing millions more from being diverted into that obsolete system instead of into more human, community-based alternatives, while also protecting residents of under-staffed homes.

Are Those Who Operate For-Profits Qualified?

Press Progress, a non-profit Canadian news organization examined the qualifications of those who are corporate directors of for-profit nursing home chains in Ontario and found that the majority are dominated by real estate developers (Press Progress, May 25, 2020). They found that of 35 directors sitting on the boards of Sienna Living, Extendicare Inc., Revera, and Chartwell – the largest nursing home chains in Ontario - 40 percent have backgrounds in real estate, with another 34 percent coming from other corporate sectors like finance, insurance, energy, or hospitality. Another 14 percent hold positions in private health services or pharmaceutical companies with only 3 out of 35 board members actually having any kind of health care background (Press Progress, May 25, 2020).

Jacqueline Choiniere, a nursing professor at York University has pointed out that the long term care sector has been treated as housing stock instead of being focused on care; this is what happens when real estate magnates are the most prominent directors. She also pointed out that a for-profit corporate culture is bent on maximizing profits which means the use of more casual part-time staff and the contracting out of food and housekeeping to external contractors

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[3] People Caring for People: Impacting the Quality of Life and Care of Residents of Long-Term Care Homes, Shirlee Sharkey (2008) contains recommendations of the Independent Review of Staffing and Care Standards for Long-Term Care Homes in Ontario. https://www.hhr-rhs.ca/index.php?option=com_mtree&task=viewlink&link_id=5987&Itemid=109&lang=en

(Press Progress, May 25, 2020). It should be noted that some of the companies to whom staffing, food and housekeeping services are contracted, may be subsidiaries of the long term care companies doing the sub- contracting.[4]

Have For-Profits Endangered Staff As Well As Residents?

In April 2020 it was reported that the Ontario Nurses Association sought a court order attempting to force several for-profit facilities to provide their staff with appropriate personal protective equipment (PPE).

Concerned about potential infection and death of its members in the Rykka Care Centres Group who operate Eatonville Care Centre in Toronto, Anson Place Centre in Haggersville, and Hawthorne Place Care Centre in North York , as well as Henley Place operated by Primacare Living Solutions, the ONA sought to protect its staff through court order (DeClerq, April 22, 2020). Eatonville, Anson Place, and Hawthorne Place reported a total of 71 deaths from COVID-19 in April, 2019 (Draaisma, April 22, 2020).[5]

The court ruled in favor of the ONA and the disposition is self-explanatory:

"***The Respondents and their agents, employees, and those acting under their instruction are ordered to provide nurses working in their respective facilities with access to fitted N95 facial respirators and other appropriate PPE when assessed by a nurse at point of care to be appropriate and required, as set out in Directive #5 issued by the CMOH.***

This Order shall be in effect until a final disposition of the ONA's grievances against the Respondents in respect of these and related matters under their collective agreements, or until further Order of this court. [97]

The Respondents are further ordered to implement administrative controls such as isolating and cohorting of residents and staff during the COVID-19 crisis, as set out in Directives #3 and

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[4] One such staffing provider is ParaMed. "Extendicare, through its ParaMed Home Health Care division (ParaMed), is currently the largest private-sector home health care provider in Ontario, providing approximately 5.1 million hours of service annually with approximately 98% of its revenue generated from government contracts. The Transaction brings together two leading Canadian private-sector home health care providers….. Extendicare will rebrand Revera Home Health under its ParaMed banner across six provinces (Ontario, British Columbia, Alberta, Quebec, Manitoba and Nova Scotia)." https://www.extendicare.com/about-extendicare/news/extendicare-announces-completion-of-acquisition-to-expand-its-canadian-home-health-care-business-16

[5] Presumably obtaining enough PPE is part of Ontario's supply chain management system. It is interesting to note that the former President of Extendicare, Paul Tuttle, sat on the Ontario government's Expert Panel "to develop a province-wide strategy to improve the delivery of supply chain management across the healthcare sector through the Healthcare Sector Supply Chain Strategy." https://www.canhealth.com/2016/04/20/ontario-creates-panel-to-improve-health-supply-chain/

#5 issued by the CMOH. This Order shall be in effect until a final disposition of the ONA's grievances against the Respondents in respect of these and related matters under their collective agreements, or until further Order of this court." https://www.ona.org/wp-content/uploads/onaveatonvilleandhenleyjudgment20200423.pdf

The union had to take these facilities to court in order to enforce their rights to personal protective equipment during a pandemic…in Ontario….in 2020.

Who Is In Charge of Health Quality in Ontario?

Health Quality Ontario

"Health Quality Ontario (HQO) is the agency in Ontario mandated to advise government and health care providers on the evidence to support high-quality care, to support improvements in quality, and to monitor and report to the public on the quality of health care provided in Ontario." It is mandated under the Excellent Care For All Act, 2010. Among its many roles it was intended to "monitor and report to the people of Ontario on health system outcomes, continuous quality improvement, and promote health care that is supported by the best available scientific evidence by making recommendations to health care organizations and other entities on standards of care in the health system, based on or respecting clinical practice guidelines and protocols, and making recommendations, based on evidence, concerning the Government of Ontario's provision of funding for health care services…."(Ontario Ministry of Health and Long Term Care, September, 2016).

HQO amalgamated several health care improvement organizations and programs and was to evaluate evidence, spread knowledge, and report on the system's progress.

It is quite clear it did not achieve this before and during the 2020 pandemic.

Ontario Health

The current government's attempt to deliver better health care to Ontarians was to be coordinated through Ontario Health. Its goals are to achieve better, more comprehensive care through a single agency that would coordinate provincial health agencies in order to oversee the health care system. This was to have resulted in a better experience for patients and caregivers, better health outcomes, better clinical guidance and support for health care providers and a sustainable health care system (Ontario, February 26, 2019).

Again, the failures are obvious.

One person common to both Health Quality Ontario and Ontario Health is Shelley Jamieson, the former Secretary of Cabinet and head of the Ontario Public Service as well as Clerk of the Executive Council. Before Ms Jamieson joined the government she was the head of the provincial lobby group for the for-profit nursing home sector of the day – the Ontario Nursing Home Association. She had also been President of Extendicare. "A former president of Extendicare, Ontario's largest for-profit nursing-home chain with some 16,000 employees, she had only been in the bureaucracy since 2005, when she became deputy minister of transportation". (Ontario Health, 2020; Benzie, November 29, 2011).

Ms Jamieson was also the Vice-Chair of Health Quality Ontario's Board, and is currently listed on the Board of Ontario Health.

How Are The For-Profit Long Term Care Companies Doing Financially?

According to an Extendicare report dated February 28, 2019, it "owns and operates for its own account 58 LTC centres with capacity for 8,137 residents, inclusive of a standalone designated supportive living centre (140 suites) and a designated supportive living wing (60 suites) in Alberta, and two retirement wings (76 suites) in Ontario. Revenue from the long-term care operations represented 56.5% of consolidated revenue from continuing operations in 2018 (2017 year – 56.2%)."

Expansions and acquisitions were also going well.

- Private pay retirement operations saw some acquisitions and development of its retirement communities under its Esprit Lifestyle Communities brand with 9 retirement communities either acquired or developed since 2015, with a 10th opened at Bolton Mills in January 2019;
- In April of 2018 Extendicare acquired Lynde Creek Retirement Community in Whitby for $33.8 million with 93 "assisted living suites" and a life lease seniors community of 113 townhomes and 3.7 acres of adjacent land;
- Other expansions included the Douglas Crossing Retirement community in Uxbridge with the Adjusted Development Costs for the total 148-suite project in that community alone "estimated to be $35.7 million, with an expected stabilized occupancy of 94% in the 2019 fourth quarter, an estimated stabilized NOI[6] of $4.1 million and a corresponding NOI Yield of 11.4%. " (Extendicare, February 28, 2019).
- Bolton Mills had adjusted development costs of $30.7 million, an estimated stabilized NOI of $2.4 million and a "corresponding NOI Yield of 7.8%" (Extendicare, February 28, 2019).

[6] NOI refers to Net Operating Income

So let's just say that Extendicare is doing very well financially, engaging in a significant number of acquisitions and developments, primarily in Ontario which, as Mr. Ford has said, is open for business.

Extendicare is also named in a lawsuit brought by families alleging it puts profits ahead of care (O'Keefe, November 2, 2018).

Sienna (formerly Leisureworld) [7]appears to also be doing quite well, having acquired 10 Ontario retirement residences with 1245 suites in 2018 at a cost of $382 million. That increased its private pay retirement homes by 63%. With an occupancy rate of 93.6% across its portfolio of homes, one can assume the company is making a healthy return on investment (Wilcox, January 23, 2018). In 2016 Sienna had also acquired, at a cost of $255 million, a seniors housing portfolio in British Columbia, with a 50% interest in the management and operation of its assets (Goodmans, 2016). Sienna was "the largest licensed long-term care provider in Ontario, owning and operating 35 long-term care homes and 10 retirement residences in 45 location in 2015" (Oliva, May 11, 2015).

Sienna is also one of the companies named in a lawsuit filed against it, Revera, and Extendicare (O'Keefe, November 2, 2018).

Chartwell did fine as well posting "funds from operations up 7% in Q4 of 2019 (meant to be 2018?) and up 3.2% in2019. In Q4, 2019. Chartwell says that acquisitions and developments increased its expenses somewhat, but their net losses were lower than the previous year because of deferred tax expenses and higher yields from property operations. As of year- end they appeared to be in a pretty healthy position with liquidity amounting to $414.7 million, including $22.9 million of cash and cash equivalents and $391.8 million of available borrowing capacity on their credit facilities. Equity-accounted joint ventures provided an additional share of cash and cash equivalents in the amount of $5 million (Chartwell Retirement Residences, 2020).

Revera, which will also be discussed later , has done well on the stock exchange in the past, but time will tell what the future holds for it now with so many lawsuits filed against it (Rinaldo, March 25, 2017; Westoll, April 30, 2020).

At present, Revera is one of the biggest companies in the world in the seniors' business boasting more than 500 locations in the U.S., the U.K. and Canada. They have a majority stake

[7] On May 1,{2015} Ontario-based Leisureworld Senior Care Corporation (TSX: LW) officially started doing business as Sienna Senior Living, Inc., a week following the company's annual shareholder meeting held April 21. https://seniorhousingnews.com/2015/05/11/largest-canadian-senior-living-operator-changes-name-updates-branding/

in Sunrise Senior Living – a company that manages 300 communities across the world. As well they own a stake in Welltower which is also a primary owner of Sunrise Senior Living. Since 1961 Revera has come to serve more than 50,000 older adults with annual revenues of $694.06 million U.S. according to Dun and Bradstreet (2020).

LTCF's Calls For More Money Are Unfounded

With the high number of acquisitions and developments being funded by the for-profit companies holding licenses in Ontario to deliver long term care facility services, and with their considerable amounts of cash on hand and borrowing abilities to fund these acquisitions and developments, it would seem that these companies are not as desperate for cash as their lobbyists claim.

Much is likely to come out as lawsuits against large companies like Revera proceed which will demonstrate what their profit margins actually are, provided that these suits are not settled out of court. As John Lorinc said in a 2003 article "The industry sends out a mixed message: To governments, it complains about a lack of funding, while to investors, companies tout the sector's profitability and growth potential."

How Did It Get This Bad? The Actions of Mike Harris, 22nd Premier Of Ontario

Paul Reichmann entered the nursing home business in 1992 after Olympia & York had declared bankruptcy. Undaunted by apparent bankruptcy, he and two partners bought Central Park Lodges from Trizec Corporation for $220 million and went on an acquisition spree consolidating the retirement and nursing home businesses (Lorinc, September 5, 2003). "The expansion has been stoked by the sale of millions of real estate investment trust (REIT) units in what is now called Retirement Residences, which owns 86 retirement homes and 94 long-term-care facilities in Canada. It generated $42 million in net income on 2002 revenue of $644 million. Retirement Residences is not unlike O&Y. It is run by a Reichmann (Paul's 37-year-old son, Barry), carries huge debt (almost $1.3 billion), grows by deal making and stays out of the public eye. (Company officials did not respond to requests for an interview.)"(Lorinc, September 5, 2003).

This expansion was allegedly helped by the actions of the Conservative government of the day of which Mike Harris was the 22nd Premier of Ontario from June 26, 1995 to April 14, 2002. He is currently the Chair of Chartwell, which is being sued by families for the neglect and deaths of their loved ones.

Premier Harris was in power during the Reichman's acquisition spree. His policy of closing thousands of beds in publicly run chronic care hospitals and capping home care funding, while also accelerating nursing home placements has been called a "gold strike" for the nursing home industry (Lorinc, September 5, 2008).

Harris' decision to add 20,000 nursing home beds, the majority in the for-profit sector, and refurbish 16,000 more in homes that were substandard was a godsend to the commercial nursing home operators [8] (Lorinc, September 5, 2003).

Where was that announcement of all those new for-profit beds for Toronto made? It was made at Leisureworld, Scarborough, the chain owned by Herman Grad, who was its founder and CEO. He had partnered with Rudy Bratty who had helped Marco Muzzo "build a real estate empire in the Toronto area" to create what would become one of the largest nursing home businesses in Ontario Mr. Grad eventually bought out Mr. Bratty (Lorinc, September 5, 2003).

But Mr. Grad was involved in a lot more than nursing homes. In a scenario reminiscent of the Sopranos, Howard Levitt of the Financial Post wrote an interesting article in 2015, detailing a case of wrongful dismissal involving a strip club - For Your Eyes Only in Toronto, owned by Best Beaver Management Inc. that issued an employee litigant's paycheques.

There were, it appears, a lot of related companies connected to Best Beaver - all owned, as it turned out, by Herman Grad and Ben Grosman, who also owned The Landing Strip Inc. and Twin Peaks Inc. "One company owned the premises and leased them to a second company, which in turn owned the trademark to the club's name and held the liquor and adult entertainment licences. A third company owned the furniture and equipment, and was the licensed user of the trademarked name, while a fourth was paymaster. All were owned and controlled by the family holding companies of Grad and Grosman."(Levitt, October 6, 2015).

Interesting business model, and perhaps one that could also be applied to the long term care sector.

Bankruptcy, Failure To Monitor Expenditures Of Public Dollars, Operators Being Warned When Inspectors Are Coming

For a very long time, many in Ontario have known what has been going on in the long term care industry. Provincial Auditors have raised it. Advocates have, for years, bemoaned the absence of inspections and effective sanctions being brought against these facilities.

John Lorinc's 2003 scathing article in the Globe and Mail detailed the abuses , sketchy practices, and interesting connections between government and the long term care sector. Here is some of what he wrote:

[8]"the operators-both public and private-who have let their facilities run down stand to benefit the most. Firms receive a subsidy of up to $75,000 over 20 years for each renovated bed. That figure represents about two-thirds of typical construction costs. A majority of the licences for the new beds went to the largest private operators because the bidding rules made raising the up-front financing difficult for not-for-profit initiatives." (Lorinc, 2003) https://www.theglobeandmail.com/report-on-business/rob-magazine/old/article1045305/

John and Aldo Martino, of Royal Crest, a company that received $3.5 million a month in provincial funding, sought bankruptcy protection owing $200 million to creditors.

At the time Paul Tuttle, who oversaw the Ontario government's long-term care division, said that only 7 out of 400 nursing homes had had their licenses suspended. In the case of Royal Crest, Extendicare had been appointed to take over their facilities. Paul Tuttle, it should be noted, later became Vice-President of its Operations, and later, President of Extendicare.

The Provincial Auditor of the day, Erik Peters, slammed the government in a December 2002 report for "failing to monitor an industry that receives large subsidies from government." At the time the subsidies were $1.6 billion. Today, they are well over 4 billion. Peters said that facilities were notified before inspectors showed up, that they were operating without licenses, and that subsidies operators were supposed to return to government were not being collected (Lorinc, 2003).

Shortly after Peter's report, a veteran and resident, John Wilson, set fire to himself while left unattended in Spencer House, one of Herman Grad's nursing homes. Two detectives with Toronto police put pressure on the Ontario Coroner's office to investigate. The jury found that there were minimal standards and that this contributed to his death. Interestingly it also "urged the province to develop an "ethics policy" and "conflict of interest" guidelines for private long-term-care facilities." Given the significant amounts of public funds issued to LTC facilities to ensure maximum health and safety of residents, all perceptions of conflict of interest must be minimized to maintain the public trust." (Lorinc, 2003).

Of course, nothing happened.[9]

Government Inter-Connections With For-Profit Companies.

Federal Connections

Revera, one of the largest for-profit companies in Ontario, is 100% owned by the Government of Canada; its Board of Directors appointed by the Federal Cabinet. The Chair Emeritus of the

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[9] "Although the jury did not mention political donations, the governing Conservatives received $44,370 from Leisureworld between 1995 and 1999. Grad also donated $10,000 to Premier Ernie Eves' leadership campaign, and hired a member of Health Minister Jim Wilson's staff to serve as his director of public affairs and business development. (Leisureworld has also been an enthusiastic participant in Ontario's "workfare" program, bringing welfare recipients on site to do menial tasks such as groundskeeping" (Lorinc, 2003) https://www.theglobeandmail.com/report-on-business/rob-magazine/old/article1045305/

Board and still a Director is Bill Davis, the former Premier of Ontario from 1971 to 1985 and an MPP from 1959 to 1985.

As mentioned previously, Mike Harris, another former Premier of Ontario chairs the Chartwell board.

As Stevens (May 10, 2020) reports "the trail from Forest Heights in Kitchener through Revera to Justin Trudeau's cabinet table passes through an important intermediary, known as PSP Investments. Full name: Public Sector Pension Investment Board. A Crown corporation with huge assets ($168 billion in 2019, striving for $250 billion by 2028) and a broad reach (investments in 75 countries) the PSPIB is the outfit that handles the pension contributions of federal public servants, Canadian Forces and the RCMP."[10] It reports to Parliament through the Treasury Board.

So essentially the profits Revera makes are important to the pension fund for the Canadian armed forces and the RCMP, and presumably to the Trudeau government.

Michael Mueller, the Chair of Revera's Board used to be the Chairman of the PSPIB from 2006 to 2018. He also sits on the Boards of a major pharmacare company (Pediapharm) and a capital corporation (Mercal) among others. Prior to that he was involved in the financial sector (Revera, 2020).

Pierre Gibeault also joined the Board of Revera in 2018 and is a member of the Investment and Corporate Governance and HR Committee. He is also the Managing Director and head of Real Estate investments at the PSPIB. Before that he presided over the Real Estate Finance Group of one of the largest mortgage finance companies in Canada – MCAP, and he was a senior vice president with CADIM – which operates dwellings other than apartment buildings (Revera, 2020).

The Public Service Alliance of Canada has called on Public Sector Pension Investments to pull out of its investment with Revera Inc., and to place its assets under public ownership and control (PSAC, May 26, 2020).

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[10] In 2007 PSPIB bought 100% of Retirement Residences Real Estate Investment owned by the Reichmann family for $2.8 billion. It's founder was Barry Reichmann and it was an investment vehicle (i.e. First Canadian Place in Toronto and other major properties worldwide) . It renamed this REIT Revera, now one of the largest long term care and retirement home providers in the U.S. and Canada.

With at least 85 Calgary families also suing Revera (for negligence and death) to Manitoba (for neglect) to Ontario, it remains to be seen what Revera's future will be.
(Labby, January 21, 2019; Hoye, January 7, 2019).

Provincial Connections

But returning to Ontario, who are some of the major players provincially?

Conservative Connections

Donna Duncan is the CEO of the for-profit sector provincial lobby group – the Ontario Long Term Care Association. She was previously a policy director for John Tory from 2006 to 2007 when he was leader of the PC Party from 2004 – 2009 (Noorsumar, April 1, 2020).

Andrew Brander, who works for Crestview Strategy, was hired by the Ontario Long Term Care Association (OLTCA), the lobby group for the for-profit long -term care sector, presumably to advance its agenda (Noorsumar, April 1, 2020). Mr. Brander was previously the Director of Communications for Finance Minister, Rod Phillips.

Mr.Brander also worked for ten years for the Harper government federally, and he only left the Ford government in July of 2019 at which point he appears to have registered as a Federal lobbyist on July 25, 2019. (Crestview Strategy, 2020; Officer of the Commissioner of Lobbying Canada, 2020).

Christopher Chapin works as a lobbyist for Caressant Care.[11] He has also held other positions, including one in digital communications in the current Health Minister Christine Elliott's leadership campaign in 2015 (Noorsumar, April 1, 2020) and for Caroline Mulroney's leadership campaign (Upstream Strategy Group, July 9, 2018).

Mr. Chapin is listed as a Managing Principal with Upstream Strategy Group of which Michael Diamond is a Founding Principal.

Mr. Diamond was the Director of Operations for Mayor Rob Ford in 2010 and Campaign Manager for Doug Ford's successful leadership race in 2018. He was also Campaign Director for the PC Party of Ontario in the 2018 general election (Upstream, 2020).

Another Caressant Care lobbyist is Patrick Tuns. Mr. Tuns is also a partner in the same Upstream Strategy Group as Mr. Diamond and Mr. Chapin, and was the deputy campaign

[11] Caressant Care was where Elizabeth Wettlaufer murdered 7 residents under its care.
https://lfpress.com/news/local-news/truth-about-serial-killer-spurred-nursing-home-to-protect-itself/

manager for both Doug Ford's leadership race and the Ontario PC election campaign in 2018 (Noorsumar, April 1, 2020).

Melissa Lantsman, who acted as a spokesperson for Ford during his 2018 campaign recently signed on to lobby for Extendicare (Levy, May 24, 2020).

Paul Brown, with Campbell Strategies, boasts almost 40 years of working on Conservative campaigns serving between 1984 and 1988 in the Federal Conservative government of Brian Mulroney as a policy advisor to the Industry Minister, as executive assistant to the President of Treasury Board, and as Chief of Staff to the Minister of Labour. One of his areas of responsibility was the privatization of Crown corporations. In the 2005/06 Federal election he co-chaired the Conservative Party Ontario Campaign (Campbell Strategies, 2020).

Leslie Noble, a lobbyist for Chartwell was campaign manager for Mike Harris in 1995 and 1998 (Levy, May 24, 2020).

Liberal Connections

The Liberal government is not out of the woods with respect to having lobbyists working for the long term care industry. Panos (February 18, 2016) describes Liberal policies this way "The Liberals under Premiers Dalton McGuinty and Kathleen Wynne have done nothing to overturn this policy regime [privatization}. Indeed, the much referenced 2012 Drummond Commission on the Reform of Ontario's Public Services, prepared for the Liberal government, took the neoliberal public management administrative reforms a step further and gave particular emphasis to the privatization and P3ing[12] of the public sector. An especially prominent example of the public sector crisis in Ontario is the long-term care (LTC) sector. It illustrates well how the policies of neoliberal austerity attempt to bolster capital accumulation while displacing the costs of the crisis onto workers, the elderly and the poor."

During Kathleen Wynne's tenure the for-profit long term care industry did very well.

"Since 2010, seven of the largest for profit long-term care chains have received nearly $4.9-billion in direct cash transfers from the Ontario government (Table 1). The trouble is that without any financial accountability that public money might be going to the luxury needs of shareholders and executives instead of serving the needs of residents." (Panos, February 18, 2016).

[12] "Public-private partnerships, or P3s, are partnerships between governments and the private sector to build public infrastructure like roads, hospitals or schools, or to deliver services…. Depending on the preferred P3 model, this approach requires the architect, the builder, the lender and the maintenance and/or operations provider to form a team. https://www.pppcouncil.ca/web/Knowledge_Centre/What_are_P3s_/web/P3_Knowledge_Centre/What_are_P3s.aspx

As one might expect the top long term care companies all got millions, even as Ontario has one of the worst records in the world of accounting for how that money is spent. "Whether private 'family-run' homes or multinational firms, there is no legitimate reason why with sums of public subsidy this huge, executive salaries and company profit margins are not available to the public (Panos, February 18, 2016).

Table 1: Direct Ontario Contributions to Nursing Care Chains, 2010-2015	
Nursing Chain	**Ontario Contributions (2010-15)**
Extendicare (Canada) Inc.	$1.15bn
Schlegel Villages Inc.	$430m
Chartwell	$344m
OMNI Health Care	$339m
Revera Inc.	$1.5bn
Sienna Senior Living	$866m
Caressant Care	$266m
Total	**$4.9bn**

From: https://www.mondialisation.ca/canadas-struggle-against-the-privatization-of-healthcare/5508667

Not surprisingly quite a few McGuinty era loyalists had been lobbyists for the Ontario Long Term Care Association (OLTCA) including Phil Dewan (rankandfile.ca May 26, 2020), who became Chief of Staff for Dalton McGuinty (September, 1999 – October, 2003; Linkedin, 2020), when he was Liberal Party Leader. As President of Counsel, he is described as having "moved effortlessly between government, industry and advocacy" having had "senior staff roles with Ontario Premiers and Opposition Leaders" (Counsel, 2020).

While the Liberals were in power from 2003 to 2018 there was also some toing and froing between the Ontario Long Term Care Association (OLTCA) and the Liberal government.

For example, Adrienne Spafford, the strategy and public affairs director for OLTCA from February 2013 to June 2016, left to become a policy advisor for Premier Kathleen Wynne (Noorsumar, May 26, 2020). Before that, from 2009 to 2011, she had been a senior policy advisor to the Minister of Health and Long Term Care during the Liberal government's tenure, jumping ship to go and work for OLTCA.

Charles Beer is described as having been a lobbyist for Chartwell (rankandfile, 2020). He spent 23 years serving in various Liberal administrations as Chief of Staff for former Health and Long Term Care Minister, as Minister of Community & Social Services as Executive Director in the Office of the Leader of the Opposition, as well as having been a senior public servant in Intergovernmental Affairs, Finance, and Citizenship. Now also a principal with Counsel, he has a variety of consulting roles.

Paul Pellegrini, the President of Sussex Strategy Group, has also acted for the Ontario Long Term Care Association (rankandfile.ca, 2020). Paul was a senior advisor to Art Eggleton when he was President of Treasury Board and later as Minister of Foreign Affairs and International Trade in the Federal government. In Ontario, he was the Executive Assistant to Health Minister Elinor Caplan during the Peterson government's tenure (Sussex, 2020).

Colin MacDonald who lobbied for OLTCA from 2013-2014 had been a policy director for an Ontario Liberal party leadership candidate just before he worked for OLTCA (rankandfile.ca, May 26, 2020). He was also a senior policy advisor to Ontario cabinet Ministers including Labour, Citizenship and Immigration, and Finance (Navigator, 2020). He is now a consultant with Navigator.

Bob Lopinsky, who lobbied for OLTCA in 2009, was Chair of Kathleen Wynne's 2014 "war room" volunteering with the Ontario Liberal Campaign from 2014 to 2018. He was also Director of Issues Management and Legislative Affairs for Dalton McGuinty from 2003-2005 (Linkedin Bob Lopinsky, 2020). He is now a principal and owner of Counsel, the same company of which Phil Dewan is President (Counsel, 2020b)

The interconnections between both Liberal and Conservative governments at the Federal and Provincial levels to the commercial long term care sector are now obvious.

The previous Liberal government came under fire by a Provincial Auditor concerning its weakening of the inspection process; it did nothing to reinstitute not –for-profit chronic care beds and reduce privatization of this sector; the Ford government almost eliminated comprehensive inspections; the Harris government handed the for-profit long term industry major "gifts". It is now clear that neither party is without responsibility for the sad state of long term care.

The question that remains is: Will the Liberal Prime Minister act in the public interest in light of the Federal government's interconnectedness with Revera, and will the Conservative Premier of Ontario act in the public interest in light of many of his former campaign officials now lobbying for the for-profit long term care sector? Will these publicly elected officials act in favor of the people who elected them, or in favor of the large companies and their lobbyists with whom they are so intricately involved?

Either way, three things have become abundantly clear to the voting public. It is time to

- remove the profit motive from the care of older adults;
- examine non-institutional, community residential and in-home aging in place care options that are much more humane;
- end the hand in glove relationship between politicians and this industry.

Our elders lives, and eventually our own, will depend upon it.

Do Something!

The question is often asked: Why don't families do something about the care of their relatives? The answer is that they are suing these corporations, they are speaking out in the press, and they are attempting to take individual action, but when confronted with the power and money of large multi-national companies that have sometimes been known to engage in bullying tactics to silence them, [13] it is not an easy task.

The public remains blissfully unaware of what is going on right in front of it because of the institutional nature of these facilities where residents are shut away out of sight, out of mind. Sadly the first time members of the public often encounter this system is when it is too late – when someone in their family, or they themselves are forced into one of these facilities.

The 2020 pandemic has finally brought to light the truly horrendous conditions in these facilities. It remains to be seen if another Conservative Premier, Doug Ford, will act, or once again acquiesce to the lobbying power of the long term care industry in Ontario, and if a Liberal Prime Minister will act in spite of the Federal government's pension plan's ownership of one of the largest long term care companies in Canada. To date, when pressed by the Federal NDP, the government's spokesperson Ms Freeland would only say the same as the Ontario Premier – all options are on the table.

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[13] "In 1994, Leisureworld went as far as launching a $2.5-million libel suit (later dropped to $25,000) against a relative of a resident for griping about food and staff shortages during a residents' council meeting. The case was dismissed, and the judge slammed the firm for using such tactics." (Lorinc, 2003).
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