Commentary: Minding the Gap – Why Wage Parity Is Crucial for the Care of Older Canadians

Commentaire : Attention à l’écart – pourquoi la parité salariale est cruciale pour les soins aux aînés canadiens

KRISTINA M. KOKORELIAS, PhD
Assistant Professor
Department of Occupational Science and Occupational Therapy
Temerty Faculty of Medicine
University of Toronto
Associate Fellow
National Institute on Ageing
Toronto Metropolitan University
Toronto, ON

SAMIR K. SINHA, MD, DPhil
Professor
Institute of Health Policy, Management and Evaluation
Department of Medicine, Temerty Faculty of Medicine
University of Toronto
Director of Health Policy Research
National Institute on Ageing
Toronto Metropolitan University
Toronto, ON

Abstract
Zagrodney and colleagues (2023) have highlighted the pay differences that exist between those working in the home and community care (HCC) sector and other healthcare sectors. The authors argue that achieving wage parity could significantly mitigate the current HCC human resource crisis, support the overall sustainability of Ontario’s healthcare system and improve patient outcomes. We build on their argument by highlighting issues that have contributed to wage disparities within healthcare systems and discuss how addressing them can create more equitable systems for both those receiving and those providing care. We further note how other healthcare systems that have wage parity have demonstrated that it is not a “nice to have” but an essential element of establishing a sustainable health human resources strategy. Finally, the new 10-year bilateral healthcare funding agreements that the federal,
provincial and territorial governments are currently announcing will not only provide significant new funding but also an opportunity to decisively address the long-standing issue of wage parity in Canada, once and for all.

Résumé
Zagrodney et ses collègues (2023) soulignent les différences de rémunération qui existent entre ceux qui travaillent dans le secteur des soins à domicile et en milieu communautaire et ceux d’autres secteurs des soins de santé. Les auteurs soutiennent que l’atteinte de la parité salariale pourrait atténuer considérablement la crise actuelle en matière de ressources humaines en santé, en plus de favoriser la viabilité globale du système de santé ontarien et d’améliorer les résultats pour les patients. Nous nous appuyons sur leur argument en dégageant les problèmes qui ont contribué aux disparités salariales au sein des systèmes de soins de santé et en exposant comment la solution à ces problèmes peut donner lieu à des systèmes plus équitables, tant pour ceux qui reçoivent des soins que pour ceux qui les prodiguent. Nous soulignons également le fait que d’autres systèmes de soins de santé, où la parité salariale existe, ont démontré que la parité n’était pas une « chose intéressante à avoir » mais bien un élément essentiel pour l’établissement d’une stratégie durable en matière de ressources humaines en santé. Pour terminer, les nouveaux accords bilatéraux sur 10 ans, que les gouvernements fédéral, provinciaux et territoriaux annoncent actuellement pour les soins de santé, apporteront non seulement un nouveau financement substantiel, mais seront aussi l’occasion de prendre des mesures décisives pour la parité salariale au Canada, et ce, une fois pour toutes.

Introduction
There is growing recognition of the important role the adequate provision of high-quality home and community care (HCC) and long-term care (LTC) home services can play in creating a more sustainable healthcare system for our aging population. In 2021, approximately 420,000 Canadian households reported having unmet HCC needs, while at least 52,000 Canadians were on waiting lists to receive a place in an LTC home (Iciaszczyk et al. 2022). Zagrodney et al. (2023) have highlighted how the COVID-19 pandemic has only turned the long-standing health human resources challenges in Ontario’s HCC sector into a full-blown crisis, principally driven by its inability to provide competitive wages to attract and retain workers (Barigozzi and Burani 2016; Fainman and Kucukyazici 2020). Before the pandemic, Ontario homecare providers fulfilled 95% of the nursing care requests; however, by the end of 2021, that number had dropped to 56%, largely owing to an estimated exodus of 4,000 nurses to other parts of the healthcare system since the beginning of the pandemic (Home Care Ontario 2022).

Zagrodney et al. (2023) report that the average hourly wage for personal support workers (PSWs) working in Ontario’s HCC sector was at least 26% below the PSW hourly wage
for those working in Ontario’s publicly funded LTC homes. It is also well appreciated that PSWs earn the highest hourly wages when they work in Ontario’s publicly funded hospitals (Zagrodney and Saks 2017). Furthermore, nurses (Mohammed et al. 2021) and other healthcare professionals, including social workers (Gibelman and Schervish 1995) and occupational therapists (Howe 2000), also currently experience significant wage disparities between these three sectors. These long-standing disparities have naturally led many HCC staff over time – and especially during the pandemic – to seek out employment opportunities in better paying parts of our publicly funded healthcare system, including LTC homes and hospitals, and even in non-healthcare occupations, such as the retail, service and manufacturing sectors (Denton et al. 2006).

To further stem the exodus of staff from the HCC sector, create much-needed stability and further grow this sector to meet the significant anticipated demands for LTC services from our rapidly aging population, Zagrodney et al. (2023) argue that wage parity between those working in the HCC and LTC home sectors needs to be the first step. We would go further and argue that wage parity across all parts of the publicly funded healthcare system needs to be achieved, especially when what often drives people from the HCC sector are better-paying employment opportunities in publicly funded LTC homes and hospitals and even in non–healthcare-related settings. Equal wage rates would not only improve the attractiveness of working in the LTC sector but also address long-standing ethical and pay equity issues among a workforce more highly composed of women and older, racialized and new Canadian workers compared to better-compensated sectors (Neysmith and Aronson 1997; Premji et al. 2014).

Ample literature exists suggesting that those working in the HCC sector are more likely to remain in their jobs if they perceive their compensation benefits as good (Dawson and Rodat 2014; Denton et al. 2005, 2006; Dromey and Hochlaf 2018; George 2015), and that providing them with wage parity to that of other equally qualified healthcare providers can help eliminate both real and perceived feelings of being treated inequitably. Wage parity, or wage equity, essentially ensures that healthcare professionals who have the same training and qualifications and perform the same or similar functions receive the same salary (Dawson and Rodat 2014), and this can help support both recruitment and retention efforts (Lilly 2008; Zagrodney et al. 2023). Indeed, pay inequities between healthcare professionals working in the same position but in different sectors suggests that a perceived difference exists in both employer and societal value for their role and skillsets (Foglesong et al. 2022; Olaniran et al. 2022; Stone et al. 2013), and can relay and reinforce a message that those working in LTC settings are of lower priority and even expendable (Devlin and McIlfatrick 2009; Mohammed et al. 2021). While there are often valid reasons for differences in the compensation of two employees working in the same position, such as differences in education or experience (Estlund 2014), the continuing pay discrepancies between the acute and LTC sectors and also within the overall LTC sector between institutional LTC and HCC providers fail to be seen as legitimate or justifiable.
Provinces, such as Ontario, continue to struggle with attracting new healthcare workers to the HCC sector, which recently reported an overall nursing and PSW staff vacancy rate of 17.4% (OCSA 2022). While existing ministry efforts, such as tuition support, have been made to alleviate the costs of training HCC sector healthcare workers across Ontario (Government of Ontario 2022), these recruitment tactics tend to focus on the ability to obtain certification and, in turn, employment quickly. However, acute recruitment efforts do not seem to be paired with the ongoing retention efforts that would better address the concerns of those working in the sector that cause them to leave.

**International Perspectives**

While much of the literature to date has focused on documenting the existence of wage inequities and their resulting consequences, less attention has been paid around how to fix these gaps. There are a few countries that, in order to strengthen their LTC systems, offer their HCC workers a living wage that takes into account a broader set of their basic needs by including their housing, transportation and health insurance requirements (Gardiner 2015). For example, Denmark’s labour-market model, also known as “flexicurity,” offers its workers both flexibility and security, such as fair wages, universal health insurance and paid sick leave (Kristensen et al. 2011: 87; Sampson 2022; Schulz 2010). Moreover, Danish HCC workers are trained to work to their full scope of practice (e.g., PSWs receiving training to provide physiotherapy), allowing them to provide more comprehensive care to their clients (Johnson et al. 2022). New Zealand implemented a 2017 Pay Equity Settlement for healthcare workers in its HCC sector, whereby the government committed NZ$2 billion to ensure that wage parity was achieved (McGregor and Davies 2019). In 2022, the Australian FairWork Commission (2022) granted an interim 15% wage increase for LTC workers in direct care roles, and deliberations are continuing into 2023 to try to increase it to 25% for all PSWs, regardless of their role in LTC. In Italy, healthcare professionals are paid in accordance with a national contract, with employers having limited flexibility in deviating from this contract, regardless of the practice setting (Tikkanen et al. 2020). Moreover, recent Italian legislation enforced a pay equity law to reduce and diminish the pay gap between men and women (Fulvi 2017). Finally, the Singapore government also recently intervened to raise the salary scales and job conditions of its HCC workers (Lai and Begum 2021; Ng and Sim 2012).

Across Canada, we are slowly starting to see wage parity issues addressed within its healthcare systems. British Columbia recently brought the employment of all homecare workers delivering publicly funded home care under the employment of its health authorities to ensure that wage parity and more full-time employment opportunities were achieved across this sector. In Nova Scotia, the health authorities are increasing funding allocations within its HCC sector to increase pay for their publicly funded workers (Premier’s Office 2022) and maintain parity among different healthcare providers. This follows their previous efforts that equalized the pay rates for licensed practical nurses across the province.
(Nova Scotia CUPE 2020). In Ontario, the COVID-19 pandemic spurred a provincial bill to increase the wages of eligible workers in LTC homes and its HCC sector by $3 per hour, while those in public hospitals received a $2 increase (DeClerq 2022). In the most recent federal election, the current governing party pledged that it would support all Canadian PSWs to be paid a minimum wage of $25 an hour, which would help to significantly achieve fairer wages for the largest elements of Canada’s LTC workforce (CBC News 2021). The federal government recently announced that it would provide Canada’s provinces and territories $1.7 billion over five years to support hourly wage increases for their PSWs in order to support their recruitment and retention efforts (Prime Minister of Canada 2023).

Our Path Forward
Achieving wage parity should be a starting point for meaningful and necessary reforms to better recruit and retain a strong LTC workforce. However, LTC sector jobs have long been prone to poor working conditions, including employment insecurity (Hapsari et al. 2022; Zeytinoglu et al. 2009, 2015), shortage of appropriately trained staff (Brooks et al. 2008), unstable hours (Hapsari et al. 2022), a lack of full-time employment opportunities and occupational burnout (Brooks et al. 2008). Indeed, as the conditions of work are the conditions of care, achieving wage parity without addressing the working conditions will hinder the transformation that we desperately need to achieve across the LTC sector.

Current healthcare transformation efforts are being guided by the Quadruple Aim, which is centred on four key and interrelated goals: improve the patient experience of care; improve the health of populations; improve the healthcare provider experience; and improve value for money (Olayiwola and Rastetter 2021). Zagrodney et al. (2023), in this regard, have helped to demonstrate how achieving wage parity can enable the achievement of these four aims. Indeed, enabling more people to receive the care they actually want and need to better enable aging in the right place will undoubtedly improve both the patient experience and the overall health of the population when more people can get the right care in the right place at the right time. They even demonstrate that at equal pay rates, supporting persons with HCC services, which can better alleviate pressure on hospitals and LTC, can deliver substantial cost-savings related to care delivery and help avoid infrastructure costs associated with having to provide more care in institutional care settings. Finally, healthcare providers who feel appropriately valued and respected and whose primary consideration, when deciding on the part of the healthcare system in which they want to work, is around their skills and interests – rather than on a position’s rate of pay – will more likely remain engaged in their roles longer. This latter point is particularly important in the delivery of LTC, which is best delivered by staff who can get to know their care recipients, as well as how best to care for them through the provision of relationship-centred care, a foundational concept that forms the basis for Canada’s new National LTC Standards (HSO 2023).
Ultimately, promoting better workforce equity through offering wage parity, living wages and greater job security – as many international jurisdictions are already doing – may become Canada’s primary vehicle to achieving the Quadruple Aim and helping all of us achieve the healthcare system we both need and deserve.

Correspondence may be directed to Samir K. Sinha by e-mail at samir.sinha@sinaihealth.ca.

References


Why Wage Parity Is Crucial for the Care of Older Canadians


