



# ADIL SHAMJI

DON VALLEY EAST | DON VALLEY-EST

18 January 2024

## RE: Request for a Value-For-Money Audit on Temporary Staffing Agencies

Dear Ms. Spence,

Thank you for the recent efforts of your office to publish an audit outlining the precarious management of our emergency departments (“EDs”) in Ontario. This report, entitled “*Value-for-Money Audit: Emergency Departments*”, was released on 6 December 2023 and could not have been more timely given the fact that we currently face the worst ED performance in Ontario’s history.<sup>1</sup>

The audit enumerated many of the critical steps that must be taken in order to restore better and more timely access to emergency care in Ontario. I acknowledge and support the conclusion that health human resource shortages are a leading cause of elevated wait times and ED closures, and that Bill 124 has had a profound impact on healthcare worker retention. The report also provided some attention to the troubling situation of temporary nursing agencies, which have resulted in dramatic costs to our healthcare system and to the morale of our healthcare workforce. Your office recommended that legislation be introduced to regulate this industry and I note that I authored a bill on 23 February 2023 that would have accomplished this.<sup>2</sup> It was debated in the Legislature on 1 November 2023, and was voted down by the Government under the dubious justification that such legislation was unnecessary and uncalled for.

The purpose of this letter is to request a Value-for-Money Audit dedicated to the growing problem of temporary staffing agencies in healthcare. Though the earlier reports made reference to these agencies, the scope of those observations was understandably limited given that temporary agencies were a secondary consideration within the broader context of the reports’ subject matter. For example, the observations from the most recent Auditor General reports were narrow in the following ways:

1. There was a focus predominantly on nursing agencies, despite agencies providing many other roles such as respiratory therapists and personal support workers.
2. Only some areas of healthcare (e.g. emergency departments) were considered leaving question about other sectors like home care;
3. Isolated cases were highlighted without comprehensive aggregate data to understand sector-wide trends;
4. Nefarious and exploitative practices widely reported in this sector were not explored;
5. Conclusions regarding value-for-money in light of the above could not be offered.

The importance of examining these factors is even more relevant because a growing chorus of healthcare workers and hospital executives are sounding the alarm. For example, on 29 May 2023, Anthony Dale (CEO and President of the Ontario Hospital Association), stated to CBC News:

*“The rates that some of the agencies are charging have ballooned completely. They’re **absolutely** taking advantage of the situation.”<sup>3</sup>*

These comments, particularly at a time in which nearly every hospital in Ontario is facing a deficit, are profoundly worrisome.<sup>4</sup> Furthermore, amidst epidemic levels of burnout, moral injury, and demoralization amongst healthcare workers, many unions and groups that represent them are highlighting the detrimental impact of these agencies on

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<sup>1</sup> <https://www.thetrillium.ca/news/health/ontario-government-document-shows-historically-bad-emergency-department-wait-times-8118274>

<sup>2</sup> <https://www.ola.org/en/legislative-business/bills/parliament-43/session-1/bill-67/status>

<sup>3</sup> <https://www.cbc.ca/news/canada/toronto/ontario-hospitals-staffing-challenges-1.6857831>

<sup>4</sup> <https://ottawacitizen.com/news/local-news/most-ontario-hospitals-are-facing-deficits-some-have-reached-their-financial-limit-ontario-hospital-association>

retaining workers. Finally, it would seem that even both Minister of Health Sylvia Jones and (then) Minister of Long-Term Care Paul Calandra have themselves acknowledged the devastating impact of these agencies with commitments to take some form of action against them.<sup>56</sup> Despite their statements and a series of empty promises, I can find no examples of action taken and have no evidence for any public accountability.

In light of the above factors, I respectfully ask that an audit be conducted to better understand this sector. While I leave the scope of the investigation to the judgment of your office, I recommend that some consideration be given to the following areas:

1. Rampant price gouging, with some agencies charging 3-4x above artificially suppressed public wages;
2. Dynamic surge pricing, intended to extract maximum profit from scarce public resources during periods of high demand;
3. Predatory recruiting practices employed to entice public workers to private agencies;
4. Unfair contractual obligations such as non-compete clauses that are prejudiced against the public system;
5. Discriminatory and disproportionate premiums charged to Northern and rural hospitals;
6. Reported conflicts of interest, such as one alleged example in which a long-term care home and its contracted temporary staffing agency were owned by the same individual.

The rising cost of these agencies is measured in the hundreds of millions of dollars, but also in the injustices that they impose upon healthcare workers and our province's healthcare institutions.<sup>7</sup> Given the enormous pressure being experienced across our healthcare system and profound financial challenges reported by many institutions, an audit of the scandalous lack of oversight and mismanagement in this sector could not be more important. I would be grateful for your expert opinion and remain at your service if I may help in any way.

Sincerely,

*[signed]*

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<sup>5</sup> <https://files.ontario.ca/moh-plan-to-stay-open-en-2022-08-18.pdf> (page 18)

<sup>6</sup> [http://hansardindex.ontla.on.ca/hansardspeaker/43-1/1047a-5\\_72.html](http://hansardindex.ontla.on.ca/hansardspeaker/43-1/1047a-5_72.html)

<sup>7</sup> <https://www.cbc.ca/news/canada/toronto/ontario-hospital-nurses-private-staffing-agencies-auditor-1.7050828>