

# Behind the Front Lines

A recap/critical look at health care news and the reality behind the reporting from the viewpoint of front-line Ontario registered nurses

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## Three Things You'll Learn in This Issue:

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## Hospital CEO Pay Recommendations Get Frosty Coverage

It's been a tough few months for hospital CEOs.

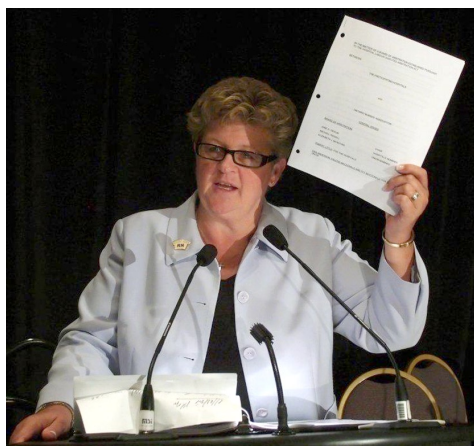
Of the reams of coverage of the Ontario Hospital Association-commissioned report on their salaries, the *Toronto Star's* Martin Regg Cohn's column ([source](#)) summed up the reaction the best: "So the hospital association engaged an outsider to review CEO salaries: John Manley, himself a CEO in charge of... wait for it...the Canadian Council of Chief Executives. Why am I not surprised that someone who works for CEOs did not excoriate overpaid CEOs?"

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## Value the Invaluable: Nurses' New Year Wishes



Hospital registered nurses hope for health care resources to be spent wisely in 2012.



ONA President Linda Haslam-Stroud, RN explains to hospital-sector nurses the details of their two-year wage freeze.

With 2012 stretching ahead, registered nurses in Ontario are anticipating an angst-ridden time with the release of the Drummond Commission report, the provincial budget and the resulting further pressures on the health care system.

Under a two-year wage freeze, it's fair to say that RNs are wishing that health care dollars that come from all Ontarians – including themselves – go where they are most effective.

It's also fair to say that many believe maintaining RN staffing levels in the province would be where some of the dollars do the most good for patients.

Last year at this time, the Ontario Nurses' Association was running a very successful public awareness campaign referred to internally as "value the invaluable." Radio and transit shelter ads were up across the province reminding Ontarians that dollar for dollar, RNs are the best value in the health care system.

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### What is ONA?

The Ontario Nurses' Association (ONA) is the union representing 58,000 registered nurses and allied health professionals and more than 13,000 nursing student affiliates providing care in Ontario hospitals, long-term care facilities, public health, the community, clinics and industry.

### Visit us at:

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**Who is Linda Haslam-Stroud, RN?**

ONA President Linda Haslam-Stroud, RN (*pictured*), is a veteran renal transplant nurse who is an expert spokesperson on a range of issues. Linda is available to comment on everything from workplace violence, patient care, health care policy in Ontario, the flu pandemic, nursing cuts, public health and much more. Simply contact ONA's media relations officer, Sheree Bond, at (416) 964-8833, ext. 2430 if you would like to interview Linda on a health-related issue.

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## Nurses' New Year Wishes,

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The summer of 2011 saw an arbitration decision that froze their wages for two years. Despite the wage freeze, RNs were included in opinion editorials and media coverage that accused union members of being 'out of touch' with the economic situation in Ontario and too demanding of wage increases when non-union members did not receive them.

In fact, by the end of the year, media coverage was changing to focus on hospital CEO salaries and the proposal by the NDP to freeze them at double the Premier's salary.

The Occupy Toronto movement also saw some reporting of the growing wage disparity in Canada and around the world.

For nurses who genuinely care for their patients' well being and the health of the residents of Ontario, it has all culminated in a growing hope and sincere wish that what is important in health care – front-line services – will grow in importance in the minds of Ontarians and that they will stand up and demand that the public health care they need and deserve will continue.

## Generous Bonuses, Free Plastic Surgery Among the Perks for Hospital CEOs

While not in the same league as Magna CEO Frank Stronach, new access to hospital CEO contracts has revealed some perks that are leaving many Ontarians scratching their heads about whether taxpayer dollars for health care are getting them value.

As reported by the *Globe and Mail's* Karen Howlett ([source](#)), perks for hospital CEOs included private club memberships, car allowances – and even plastic surgery.

Rita Burak, a board member for University Health Network (whose CEO was paid \$753,992 in 2010 plus a car allowance of \$700 a month) says she hopes the public won't be interested in whether CEOs have a car allowance but rather how effectively they're improving patient care.

As ONA has noted in the past, decisions made by hospital CEOs to close beds, lay off front-line health care providers and cut services are hardly improving patient care.

The number of Independent Assessment Committee hearings being called for by ONA members is increasing as well. These hearings are a last-ditch mechanism that RNs can use when they are concerned that staffing or other workplace conditions are putting their patients' care in jeopardy.

Clearly, balancing budgets has been the standard by which hospital CEO performance has been measured, not high-quality patient care.

## Rough Times for Executives

Public-sector union members spent much of 2011 in the cross hairs of the media and the public for their so-called top-notch salaries. So far, 2012 is looking like the year in which executives are in the line of fire.

Hot on the heels of media coverage of hospital CEO pay freeze proposals, Ontario hospitals became subject to Freedom of Information legislation for the first time on January 2. Across the province, reporters were actively searching hospital websites for details of the employment contracts of hospital CEOs and senior executives.

Ontario Hospital Association President and CEO Tom Closson was quoted as saying he thought it made sense to “proactively disclose these contracts” and urged hospitals to post the contracts on line rather than make individuals request the information ([source](#)).

Also on January 2 came news that the richest Canadians are now making 189 times as much as the average Canadian ([source](#)).

According to the Canadian Centre for Policy Alternatives, the top 100 highest-paid CEOs made an average of \$8.38 million in 2010 – and it means that it takes one of these CEOs just three hours to earn what the average full-time Canadian worker earns in an entire year.

The statistics also show that CEOs averaged a 27-percent increase in one year, something that RNs – with their two-year wage freeze – would be astounded by.

The report also showed that regular Canadians have seen their wages stagnate over the past few years – and in 2010, after adjusting for inflation, wages actually fell.

Economist Hugh Mackenzie, author of the report on CEO compensation, said “the extraordinarily high pay of chief executive officers is more than a curiosity. It actually is a reflection of a troubling redistribution of society’s resources in Canada and the United States, and in most of Western Europe.”

Mackenzie’s explanation for how this wage disparity grew so quickly is simple – consultants give advice to corporate boards on how much to pay CEOs and they determine this by surveying other CEO salaries. This perpetually drives up the average in the race to be above-average.

Corporate board members run in the same circles and “the process of paying CEOs is really quite incestuous,” he said.

## Hospital CEO Pay Recommendations, *cont’d from page 1*

The release of the OHA report, not surprisingly, received coverage province-wide. What was surprising to the Ontario Nurses’ Association (ONA) was the prolonged coverage and the sheer number of opinion editorials the story inspired.

Perhaps it was the timing of the report’s release, close on the heels of an opinion editorial in the *Canadian Medical Association Journal* that raised the belief that hospital parking fees constitute user fees for patients, but the issue of hospital finances is everywhere.

It’s particularly ironic that the OHA is pushing its spin – that hospital CEOs are not overpaid – as it also pushes its mantra that front-line health care workers need to ‘do their part’ to help hospitals balance their budgets during lean funding years.



Ontario Hospital Association President and CEO Tom Closson has been on the hot seat regarding hospital CEO compensation. Closson spoke to ONA members about hospital budgets in 2010.

It’s also intriguing to hear Health Minister Deb Matthews’ reaction: “I think it’s easy to focus on CEO compensation. I’m also interested in the issue of whether there is more management than we need to manage these institutions.”

With the release of hospital CEO compensation packages early this month, and with former TD Bank economist Don Drummond’s review and recommendations of government spending just around the corner, perhaps this was a foreshadowing of one of his recommendations?

ONA’s vote for the most ironic quote from Ontario Hospital Association CEO Tom Closson:

“You attract excellent leaders to your health-care system by compensating them appropriately and supporting them in the work they do, not by treating them as political piñatas.” (In a speech to the Economic Club of Canada, December 12, 2011).

The RNs who’ve endured years of cuts, a wage freeze and criticism in the media, wish the same sentiments were extended to them.

## Drummond Report:

# Alternative Viewpoints

In advance of the release of the Drummond Commission report on government finances, a group called the Commission on Quality Public Services and Tax Fairness is touring Ontario to gather input from organizations and individuals with a view to offering the government alternative options for the future.

An offshoot of the Public Services Foundation of Canada, a national research and advocacy organization dedicated to defending and promoting the value of public services, the Commission plans to submit its own report to the provincial government with recommendations to address the deficit.

ONA directors and some members are making submissions at many of the group's town halls and hearings.

ONA economist Salimah Valiani has produced an economic analysis that provides a different take on Ontario's situation ([source](#)).



# UNDER THE RADAR

News the Media is Missing

## Drummond Commission Under the Microscope

The Ontario Health Coalition has been digging into the background of the Drummond Commission and noted the close ties between Don Drummond and his TD Bank colleagues.

As the province and ONA await the release of the report, it's instructive to read of Drummond's history, public comments and "potent links" to private health care interests.

In a media release ([source](#)), the OHC said the "McGuinty government's Drummond Commission must consider the vast body of evidence against health care privatization when drafting its report on public service reform.

"Don Drummond, a bank executive, has used the enhanced platform given to him through his appointment as the head of the Commission on Public Sector Reform to become a spokesperson recommending health care privatization across Canada.

"Last summer, the coalition wrote an open letter to the Minister of Finance listing their concerns about Drummond's connections with the banking industry that is involved in privatized P3 hospitals in Ontario."

The OHC also notes that the Commission planned no public consultations but met with the C.D. Howe Institute, the Ontario Hospital Association and the Ontario Medical Association.

Drummond's history includes recommending that health care be privatized across Canada. He was an advisor, spokesperson and author of numerous health care reports in 2010 on health care reform – every one of which recommended privatization.

## Need a reliable and informed source? Speak to front-line nurses!

The Ontario Nurses' Association has a whole host of experts in health care. ONA members work in hospitals, long-term care, public health, the community and industry and can answer your questions as health care continues to evolve in this province.

Contact ONA.



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