

# [Home](http://ochuleftwords.blogspot.com/2012/05/if-contracting-out-works-why-do-they.html) care competitive bidding under suspension -- again

# CUPE Research, 28 June 2012

The Ontario government's system of contracting out for home care services (the so-called "competitive bidding" system) has been put on hold.

Following a meeting with government officials, various bosses in the Ontario home care industry have come out and [declared](http://www.ccac-ont.ca/Upload/on/General/CPAC%20Procurement%20Communique%20April%2012,%202012.pdf) the following:

As proposed in a first step in a phased transition, new contracts would be developed and then negotiated with existing service providers outside of a competitive bidding process, effective October 1st, 2012 for the subsequent two year period (2014). These new contracts would reflect the realities of our environment; quality imperatives, fiscal restraint, greater focus on client-centred care and defined client populations, and the requirement to collaborate and implement change over a short period of time. In subsequent phases it is proposed that all home care contracts will be renewed based on clear performance metrics related to transition, quality improvement, client satisfaction, innovation and value for money. Opportunities for new entrants to obtain contracts would be provided through joint ventures, subcontracts or other arrangements.

This is just the latest suspension of compulsory contracting. In the face of community opposition, the government has been forced to suspend the process for years. Most recently, Health Minister George Smitherman tried to bring it back in 2007, but that quickly blew up in his face.

This time around the home care bosses say they are trying to stop providers losing contracts and limit new entrants to the industry even after October 2014.

The good news is that this may provide a bit more stability to an industry that, for decades, was supposed to be the cornerstone of government reform.

The bad news is that this will cement the role of for-profit providers -- who took most of the work away from not-for-profit community providers after compulsory contracting was introduced by the Mike Harris government.

**Reform begins in the spring but plans remain vague:** By June, the Community Providers Association Committee (“CPAC” -- comprised of the Ontario Association of CCACs, the Ontario Home Care Association, the Ontario Community Support Association, etc.) had [formed](http://www.ccac-ont.ca/Content.aspx?EnterpriseID=15&LanguageID=1&MenuID=1526) a steering group and was establishing "Tables" for further discussion in four areas: [1] Funding Models, [2] Contracts, [3] Performance Measurement, and [4] Education and Training.  Each Table has about ten members.   In June, this reform initiative was named “Quality and Value in Home Care”.   
  
As a first step, “starting on October 1st, 2012, a new, flexible 2-year contract will be in place." This contract is supposed to give CCACs and service providers "the flexibility to begin the phased implementation of one or more changes in accordance with provincial direction and local priorities.” They also appear to be contemplating another round of two year contracts in 2014.   
  
Between June and October they plan to develop a new transitional contract template. CPAC says “guided by the new flexible contracts, CCACs and service providers will begin staged implementation of one or more changes to some contracts locally according to provincial direction and local priorities.”   
  
In the longer run (perhaps 2016) they plan to be “working with performance based, renewable contracts.”   
  
Whether this reform will create a more viable and robust model for home care delivery remains far from clear.  It sounds like it will continue the dominant role of for-profit providers, however.

For regular updates see: [Defend Public Healthcare](http://goo.gl/FzDrI) <http://ochuleftwords.blogspot.ca/>

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