

March 26, 2021

The Honourable Jean-Yves Duclos, PC, MP
President of the Treasury Board
Treasury Board of Canada
90 Elgin Street
Ottawa, ON K1A 0R5

By email: Jean-Yves.Duclos@parl.gc.ca

Dear Minister Duclos,

We are all heartbroken by the devastating loss of life in long-term care facilities during the pandemic.

On behalf of the 14 undersigned bargaining agents of the National Joint Council (NJC) and the 240,000 members we collectively represent in the federal public service and as contributors to the Public Service Pension plan, we are writing to once again express our concern about the pension plan's complete ownership of Revera Inc.

We are asking that your government facilitate talks between the PSP and provincial health ministries to move Revera long-term care facilities from private to public ownership.

The COVID-19 pandemic has amplified the dangerous state of long-term care in this country, and in particular, the shortcomings of for-profit long-term care.

This is not the first time we have raised this concern with you and your team. Last year, both Chris Alyward, President of the Public Service Alliance of Canada (PSAC), and Debi Daviau, President of the Professional Institute of the Public Service of Canada (PIPSC), wrote to you asking that your government take action to protect the lives of seniors. Yet, a year into this deadly pandemic, no action has been taken.

As early as May of last year, we knew Canada had the highest proportion of COVID-19 deaths in long-term care facilities. And the evidence continues to demonstrate that the incidence of deaths and illnesses attributable to COVID-19 is disproportionately large in for-profit long-term care facilities like Revera. A Canadian Medical Association Journal study of the pandemic's first wave found that residents of for-profit long-term care facilities in Ontario were disproportionately more likely to die from COVID-19 than those living at a public, municipal facility.

In December 2020, in Ontario long-term care facilities, for every 100 beds in a facility an average of 3.75 people have died from COVID-19. While in Revera facilities in Ontario, 6.26 people for every 100 beds have died. As of January 2021, 688 people had died in Revera long-term care and retirement facilities in Canada as a result of COVID-19. Things are not getting better.

Our members do not want their pension to make money in this way.

For our pension, managed by a Crown corporation, to be the **sole owner** of Revera, one of Canada's largest for-profit long-term care operators, is unimaginable.

Even before the pandemic, the lower quality of care provided by for-profit long-term care facilities was well documented, showing fewer hours of care as well as higher rates of mortality and hospitalization. As a result of the high rate of death in Revera facilities during the pandemic, there are dozens of lawsuits piling up – meaning that Revera could hit some rocky financial times.

We know that outsourcing within the federal public service is wasteful and inefficient – and the same is true of long-term care. We have fought for decades to defend public services, including health care. Revera's for-profit care and business model represents everything members of the NJC fight against.

And to add insult to injury, a January report from the Centre for International Corporate Tax Accountability and Research (CICTAR) uncovered that Revera is taking extreme measures to avoid paying taxes in the UK, the US and other countries. This report reinforces that Revera does not meet the Public Service Pension Investment Board's own standards of ethical investing.

In accordance with *Subsections 4(1)(a)&(b) of the Public Sector Pension Investment Board Act* the legal responsibility of the Public Sector Pension Investment Board is to “... (a) to manage amounts that are transferred to it ... in the best interests of the contributors and beneficiaries ... and (b) to invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, ... “. We are aware that the Canadian judicial system has been highly regarded as a longstanding adherent to enforcing such fiduciary duties. As mentioned above, Federal Public Service bargaining agents have been raising concerns with the precarity of the operations of Revera Inc. since at least 2012. The class action suits against Revera Inc. by the families and relatives of deceased residents as reported in the media are numerous and amounting in total to hundreds of millions of dollars. If the market values of other publicly traded long-term care operators are any indication, the Net Asset Value (NAV) of Revera Inc. has no doubt declined precipitously over the course of the COVID-19 pandemic. The deliberate exposure to these reputational and financial risks has had a direct and measurable negative impact on our members participating in the Federal Public Service Pension Plan. As certified bargaining agent representatives, we have a legal obligation to protect the interests of these members and to pursue all available options to do so.

Therefore, we are calling on the federal government to facilitate talks between the PSP and provincial health ministries to move Revera long-term care facilities from private to public ownership to protect the lives of seniors.

Outbreaks continue to ravage for-profit long-term care across the country. In response, governments are stepping in. In Ontario, BC, Manitoba and Quebec, governments have temporarily taken over management or supplemented management of private long-term care facilities where many deaths and infections have occurred.

Prime Minister Trudeau has said “everything is on the table” when it comes to addressing the challenges in long-term care. Canadians want the government to take action – 86 percent of respondents to a recent survey from the National Institute on Ageing and the Canadian Medical Association want long-term care to be part of Canada’s publicly-funded health care system.

Now is the time, seniors are dying and urgent action is required.

Representatives of the NJC bargaining agents are available on short notice to meet with yourself, Mr. Neil Cunningham, CEO of PSP investments and Mr. Martin Glynn, PSPIB Chairperson and any other officials you would deem appropriate to invite, for purposes of discussing our proposal in further detail.

We look forward to hearing from you on this important matter.

Sincerely,



Dany Richard
Co-Chair
National Joint Council – Bargaining Agent Side

On behalf of:

Association of Canadian Financial Officers
Association of Justice Counsel Canadian Air Traffic Control Association
Canadian Association of Professional Employees
Canadian Merchant Service Guild
CUPE Local 104
Federal Government Dockyard Chargehands Association
Federal Government Dockyard Trades and Labour Council East
Federal Government Dockyard Trades and Labour Council West
IBEW Local 2228

Professional Association of Foreign Service Officers
Professional Institute of the Public Service of Canada
Public Service Alliance of Canada
UNIFOR Local 2182
Union of Canadian Correctional Officers