Low wage Canadian workers REFUSE to pay the price of Extendicare’s U.S. losses

It’s the millionaire CEO versus the $12.88/hour home support worker.

Timothy Lukenda, CEO of Extendicare, has shown little interest in budging from a five-year wage freeze for the front-line nursing and support staff at subsidiary ParaMed Home Health Care in Renfrew County. That has left 110 caregivers on strike since September 2nd.

Last year Extendicare made $16.4 net profit after taxes in Canada. Most of that profit would come from public money used to support long term and home care patients.

Those Canadian profits are shoring up Extendicare’s U.S. operations which lost $11.1 million in 2013. To add to Extendicare’s woes, it recently came to a $42.2 million settlement with the U.S. government over alleged violations of the U.S. Social Security Act.

So who pays for those losses? Not Lukenda. He received $1.145 million in compensation for 2013.

He will likely be able to afford to pay his bills, especially with his family holding significant numbers of shares in Extendicare. So will other executives at Extendicare, including Canadian President Paul Tuttle ($359,293) or VP Richard Gurka ($469,693).

Life will be a lot tougher for the front line workers who do the difficult work of supporting the frail and elderly in Renfrew County.

They simply cannot afford to go back to work for what ParaMed is offering at the bargaining table. ParaMed’s home support workers are among the working poor. Their wages start at $12.88 per hour.

It is also a danger sign for Ontario’s home care system – ParaMed accounts for 15 per cent of all patient visits in the province. What starts here could soon spread to other locations in Ontario.

The Champlain CCAC is coping in the short term by re-assigning ParaMed’s clients to other health care providers. The longer 110 staff are left on the sidewalk the greater the risk that frail patients will be unable to return home from Ottawa-area hospitals.

It’s time for Ontario Health Minister Dr. Eric Hoskins to pick up the phone and have a chat with Lukenda and Tuttle.

It is also a wake-up call about what happens when decisions about our health care system are made based on profits and business decisions made in another country.