Toward a Primary Care Recruitment and Retention Strategy for Ontario:

Compensation Structure

For Ontario's Interprofessional Primary Care Organizations

Report Presented to the Ministry of Health and Long Term Care
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Submitted by:
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While *Ontario's Action Plan for Health Care* calls for placing "Family Health Care at the Centre of the System," and there is a policy decision to move programs from hospitals to the community, there are barriers to attracting health providers to primary care and keeping them in this part of the health system. This report presents the facts on recruitment and retention in Ontario's interprofessional primary care organizations (IPCOs) – 10 aboriginal health access centres (AHACs), 75 community health centres (CHCs), 185 family health teams (FHTs) and 26 nurse practitioner-led clinics (NPLCs).

This report is a joint effort of the Association of Family Health Teams of Ontario (AFHTO), the Association of Ontario Health Centres (AOHC) and the Nurse Practitioners Association of Ontario (NPAO). Together we represent all of the IPCOs in Ontario.

Recruitment and Retention in IPCOs

An examination of the state of recruitment and retention in IPCOs conducted in September 2011[1] found:

- The biggest vacancy rates appear among the largest staff groups, e.g. 19% for Nurse Practitioners, 14% for dietitians, 10% for RNs, and 5-12% for administrative managers. Add to this an 18% vacancy rate for pharmacists, and the result is a serious gap in skills to provide the full scope of primary care, particularly chronic disease prevention and management.
- For about half of all IHP positions, two or more job offers must be made in order to land a candidate for the position. This is also true for over 20% of administrative positions.
- Factoring in turnover rates and the time needed to fill each type of position, roughly 6-7% of overall staff service capacity is lost each year due to turnover.
- The most troubling finding is that the majority of staff who leave are then lost to the primary care sector – only 1/3 move to other primary care settings, but about 1/2 go to work in hospitals and other health care settings.

Key challenges:

- **Compensation levels are below market**
- **The compensation gap is growing**
- **Lack of pensions is a barrier to labour mobility**

The September 2011 survey probed the issues related to attracting and keeping staff:

- Over 85% of IPCO EDs identified lower salaries as one of the 3 main reasons potential candidates turn down job offers.
- About half report this as being one of the 3 main reasons for staff leaving the primary care organization.
- Lack of pensions and the desire for full-time employment are the other 2 main reasons.
- IPCOs are doing all they can in non-monetary areas to attract and retain staff.

[1] Toward a Primary Care Recruitment and Retention Strategy For Ontario, a report jointly presented to MOHLTC by AFHTO, AOHC and NPAO in February 2012.

A 2009 compensation study by the Hay Group found that salary rates established for interprofessional primary care were 5 – 30% below market. Lack of access to the HOOPP pension plan makes it even harder to compete with the other health sectors that do offer it.

In the fall of 2012 AOHC, AFHTO and NPAO joined together to commission the Hay Group to update the 2009 compensation study. In these three years the gap between primary care salaries and the market has grown, on average, by a further 5%.

Risk of pay equity challenges

Although almost all salaries in primary care are below market, Registered Dietitians (RDs) working in primary care face the added inequity of being placed in a salary range that is below that of comparable health professionals. The FHT RDs have raised the issue of pay equity. It is clear from the Hay Group's rigorous methodology to compare jobs and classify them into bands that the RD position is equivalent to the RN, OT, MSW and chiropodist positions.

The impact of this disparity in compensation with FHT colleagues is evident in *The Dietitian Workforce in Ontario Primary Health Care Survey Report*, released by Dietitians of Canada in September 2012. The survey found the vast majority (87%) of respondents stated they are not satisfied with their compensation due to inequity with wages paid to other health professionals with similar education, training, and competencies to dietitians in other sectors such as acute care. This can be compared to 2009, when 65% of respondents from all practice settings felt they were not adequately compensated.

The impact for retention is significant:

- 26% of respondents are planning to leave their current position within the next year to pursue other employment, with another 20% undecided.
- 23% plan to leave their current position within 2 – 5 years.

Since a previous workforce survey and the overall Canadian dietetic workforce meta-analysis showed up to 50% of current members of the profession exiting due to retirement by 2018 (Dietitians of Canada, 2009a and 2011), this points to a potential mass exodus of dietitians from primary care as more lucrative positions open up.

While IPCOs do not face the same recruitment challenges for health promoters, the HPs have also been consistently evaluated in the same band as RN, OT, MSW and chiropodist positions. To maintain internal equity, this adjustment needs to be addressed at the same time as the dietitians.

Nurse Practitioners:

In Ontario, the average Nurse Practitioner works for 16 years as a Registered Nurse before returning to school to complete a Master's degree or post baccalaureate certificate to qualify as an NP (CRaNHR NP Workforce Study, 2012).

Currently, the minimum salary for a Primary Health Care Nurse Practitioner (PHC NP) in NPLCs, CHCs and AHACs is $74,038.00. This is the lowest starting salary for Nurse Practitioners in Canada with the

exception of one other jurisdiction (Canadian Nurses Federation of Unions, 2011). The maximum salary for Primary Health Care Nurse Practitioners in FHTs, NPLCs and many CHCs is $89,203. A Registered Nurse with 8 or more years of experience would make more than that (ONA, 2013). **All** other jurisdictions in Canada exceed Ontario's maximum rate for NPs. Alberta is now advertising PHC NP positions at $124,000 per annum.

In the last few years, the role of the Nurse Practitioner has changed dramatically in Ontario. Nurse Practitioners can now prescribe all medications with the exception of controlled drugs and substances, can order and interpret a wide array of laboratory tests and diagnostic imaging tests, and can admit, treat and discharge a hospital patient. Despite these changes, no commensurate change has occurred to the salary of NPs working in the community. In fact, Nurse Practitioners have experienced a wage freeze, not for the past two years, but rather the past six years.

Recently, CCACs across Ontario began recruiting PHC NPs into community-based palliative care teams. These positions have been posted at $115,000 per annum (NE CCAC Collective Agreement). Immediately, this caused a surge of NPs to leave lower paying jobs in CHCs, FHTs and NPLCs. It is anticipated that 70 NPs will be recruited into these higher paying positions in the CCACs, leaving many people with no primary care provider.

The hospital sector is able to recruit and retain experienced Nurse Practitioners with salary levels averaging $103,000-$108,000. But the community sector cannot compete. Consequently, the vacancy rate for NP positions is 19% in CHCs, FHTs, AHACs and NPLCs.

Historically, the Hay Group has evaluated Nurse Practitioner positions at the same band level as Clinical Psychologists. The current salary range for a Clinical Psychologist as set by the MOHLTC ($103,300 to $135,900) corresponds to the same salary level which the Hay Group recommended in its 2011 report for NPAO. This now sets the stage for a potential pay equity challenge.

The 2012 Primary Care Compensation study

The three associations commissioned the Hay Group to conduct the 2012 Primary Care Compensation study.

Highlights:

1. Job Evaluations:

The CHC 2009 Hay CHC Structure was used as a starting point for the study. Using the Hay Group Guide Chart Method of Job Evaluation[SM], several jobs were re-evaluated and eight new roles were evaluated, including a traditional healer.

The 2012 structure encompasses 13 pay levels, as depicted in the chart below:

Band	Position Title	
13	Executive Director	
12	no jobs	
11	Director	
10	Manager	***Traditional Healer******
9	Supervisor/Lead	***Community Health Planner******
8	Chiropodist** Social Worker (Therapist) Data Management Coordinator** Occupational Therapist	Nurse** Speech Pathologist Dietitian Health Promoter Physiotherapist
7	***IT Technician****** ***Respiratory Therapist******	
6	Counsellor Community Health Worker Office Administrator	***Executive Assistant****** ***Volunteer Coordinator******
5	RPN** ***Early Childhood Educator******	Bookkeeper Administrative Assistant
4	no jobs	
3	Medical Secretary ***Clinical Assistant******	Secretary
2	Receptionist/Secretary	Medical Record Clerk
1	Maintenance Worker	

Dietitians and Health Promoters:

Of significant note are the roles of dietitians and health promoters. In 2004 when the first CHC compensation structure was developed with the MOHLTC, the dietitians and health promoters were placed in band 8. In 2006, MOHLTC decided to place the dietitians and the health promoters in the wrong pay band without supporting documentation. The Hay Group's evaluation of the dietitian and health promoters consistently has placed them in the same pay band as other health professional roles, i.e., physiotherapists, occupational therapists, speech therapists and social workers. The 2012 Primary Care Compensation Report reaffirms that the Dietitians and Health Promoters should be in band 8. This has resulted in internal equity problems.

Nurse Practitioners, Psychologists and Pharmacists:

From an internal equity perspective the Nurse Practitioner and Psychologist roles were evaluated as being comparable and falling in Band 10, while the Pharmacist was evaluated as belonging in Band 9. However, the Hay Group has determined that these three positions should be considered as 'exceptions' i.e. the value placed on these positions by the market is not directly related to their internal value, as determined through job evaluations. Therefore the salary range for these positions should be established solely based on market value considerations.

2. External Survey Results:

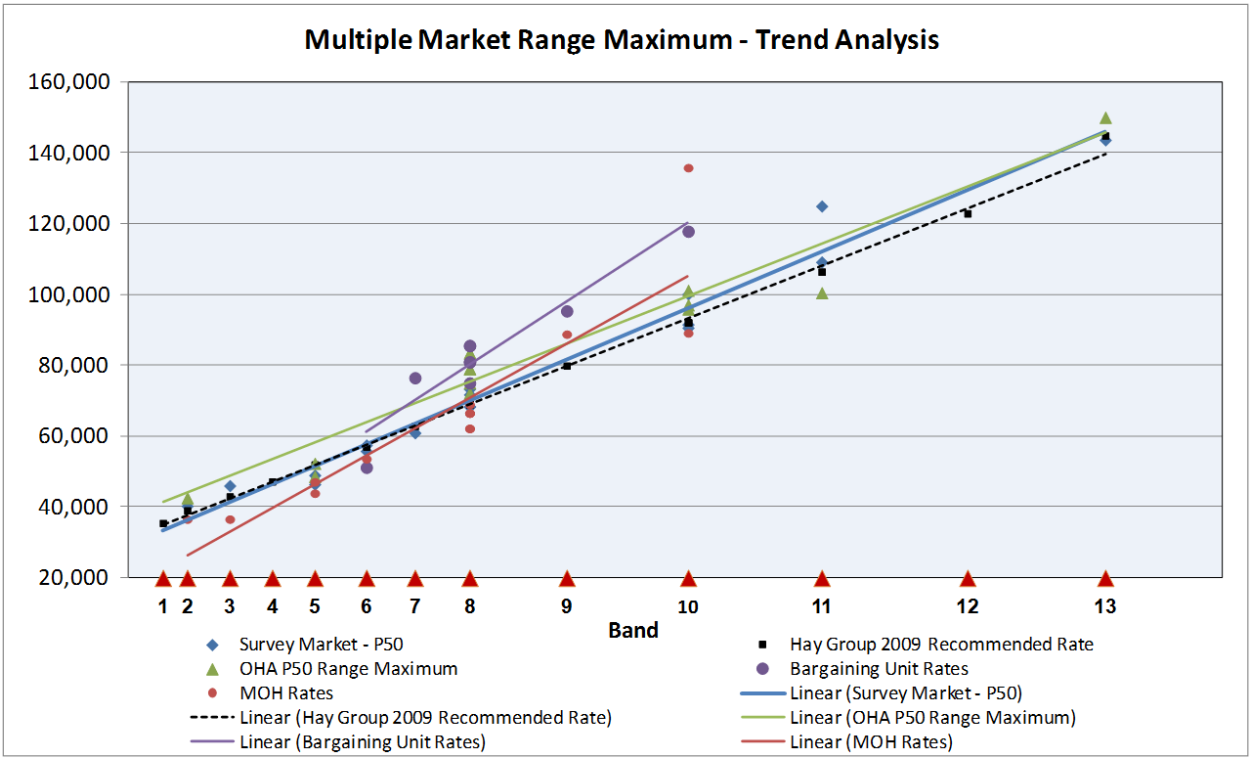
Using a combination of custom market survey results[2] and Ontario hospital data, an IPCO primary care structure was developed that reflects internal equity and is externally competitive.

For Ontario hospital data, management positions were benchmarked to hospitals with operating budgets equal to or less than $10 million, as this budget size is representative of IPCOs; whereas front-line positions were compared to the provincial database, as the rates for these jobs tend to be comparable across the province and this market reflects the geographic distribution of IPCOs throughout Ontario.

Further to the salary data, the survey found the majority (76%) provide a defined benefit plan. The most commonly provided plan is the Healthcare of Ontario Pension Plan (HOOPP). For these organizations, the average and median costs of benefits, as a percentage of payroll is 23.4%;

The following chart summarizes the current trend lines for the data collected on salaries.

[2] Organizations invited to participate in the custom survey represented Canadian Mental Health Associations, Children's Aid Societies, Children's Treatment Centres, Community Care Access Centres, Family Services organizations, Public Health Units, and other health sector agencies. Eighteen organizations covering a range of organization types and geographic locations participated in the custom survey covering salaries and benefits.



3. Recommended compensation structure

The recommended salary ranges have been determined as follows:

- The NP role was evaluated as being comparable to the Psychologist position from an internal equity perspective. These roles were linked in Band 10 in the CHC compensation structure in 2009 as well. Therefore the salary range for the NP has been established to be equal to the Psychologist. It is further noted that the recommended salary range maximum is consistent with the Hay Group Report to the NPAO, dated January 2011.
- The Psychologist salary range is the current MOHLTC salary range.
- The Pharmacist salary range was established based on the market data, consistent with the PCO compensation strategy.

The recommended salary ranges for these three positions are as follows:

NPs and Psychologists:	$103,322 - $135,916
Pharmacists:	$ 88,869 - $ 93,500

The full recommended salary structure is as follows:

Pay Band	Position Title	Minimum	Step 2	Step 3	Step 4	Step 5	Maximum
13	Executive Director	$ 127,925	$132,440	$136,955	$141,470	$145,985	$ 150,500
12	no jobs	$ 110,245	$114,136	$118,027	$121,918	$125,809	$ 129,700
11	Director	$ 95,880	$ 99,264	$102,648	$106,032	$109,416	$ 112,800
10	Manager Traditional Healer	$ 83,385	$ 86,328	$ 89,271	$ 92,214	$ 95,157	$ 98,100
9	Supervisor Community Health Planner	$ 72,505	$ 75,064	$ 77,623	$ 80,182	$ 82,741	$ 85,300
Market Exceptions							
Position Title		**Minimum**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Maximum**
Nurse Practitioner Psychologist		$ 103,322	$109,841	$116,360	$122,878	$129,397	$ 135,916
Pharmacist		$ 88,869	$ 89,795	$ 90,721	$ 91,648	$ 92,574	$ 93,500
Pay Band	**Position Title**		**Minimum**	**Step 2**	**Step 3**	**Step 4**	**Maximum**
8	Chiropodist Social Worker (Therapist) Data Mangement Coordinator Occupational Therapist Physiotherapist Nurse Speech Pathologist Dietitian Health Promoter		$ 64,175	$ 67,006	$ 69,838	$ 72,669	$ 75,500
7	IT Technician Respiratory Therapist		$ 57,290	$ 59,818	$ 62,345	$ 64,873	$ 67,400
6	Counsellor Community Health Worker Office Administrator Executive Assistant Volunteer Coordinator		$ 51,595	$ 53,871	$ 56,148	$ 58,424	$ 60,700
5	RPN Bookkeeper Administrative Assistant		$ 46,240	$ 48,280	$ 50,320	$ 52,360	$ 54,400
4	no jobs - new band		$ 41,480	$ 43,310	$ 45,140	$ 46,970	$ 48,800
3	Medical Secretary Clinical Assistant Secretary		$ 37,400	$ 39,050	$ 40,700	$ 42,350	$ 44,000
2	Receptionist/Secretary Medical Record Clerk		$ 33,660	$ 35,145	$ 36,630	$ 38,115	$ 39,600
1	Maintenance Worker		$ 30,600	$ 31,950	$ 33,300	$ 34,650	$ 36,000

To be able to attract qualified staff and to avoid losing them to other parts of the health sector, it is also recommended that compensation include participation in the HOOPP pension plan. HOOPP is the standard for staff working in hospitals, public health units and many more in health care. The

September 2011 survey[3] found that only one-quarter of IPCOs are able to participate in HOOPP. They receive funding of 20% of salaries to provide pensions and benefits, so PCOs that do participate in HOOPP must strip their other benefits to remain within this envelope. The concern is that staff working in other areas of health care will not move to primary care because they would give up membership in this pension plan or have to accept a much reduced benefits package.

While the Hay market survey found the average and median costs of benefits for comparable organizations, to be 23.4% of payroll, a 2010 study conducted in AHACs, CHCs and FHTs found that providing the HOOPP plan and a reasonable benefits package to employees would cost 22.5% of salary – 2.5% more than the current maximum of 20% provided by the Ministry.

IPCOs face barriers to improve recruitment and retention

The 2012 Primary Care Compensation study gives the prescription for enabling IPCOs to compete for skilled staff in an equitable marketplace. Unfortunately IPCOs face severe policy and funding constraints to achieve the recommended market-based salary structure.

The following table illustrates the gaps:

- FHTs and NPLCs are funded by and accountable to the MOHLTC on a "line-by-line" basis. This means they are not able to pay staff anything more than the maximum of the MOHLTC pay rate for each position. The gap between the MOHLTC rate and the 2012 recommended rate averages 15.6%, with rates over 20% for RPNs, administrative assistants, dietitians and health promoters.

- When it comes to pension funding, FHTs and NPLCs are equally constrained since they are not allowed to spend more than 20% of salary for pension and benefits. Some do offer the HOOPP pension plan, but do so by skimping on their benefits plan. For CHCs and AHACs that have more envelope budgets, they still do not have sufficient funds to provide benefits above 20%.

- Some CHCs and AHACs are allowed budget flexibility under their accountability agreements, however funding levels were established based on the published MOHLTC rate. While the CHCs adopted the 2009 Hay recommendations as their aspirational compensation structure, they have struggled to reach it within existing funding constraints no CHC has attained this rate. Meanwhile the market gap has grown another 4.9% on average between the 2009 and 2012 Hay studies.

[3] Toward a Primary Care Recruitment and Retention Strategy For Ontario, a report jointly presented to MOHLTC by AFHTO, AOHC and NPAO in February 2012

Band	MOHLTC Rates	2009 Hay Group Recommended Rate	2012 Hay Group Recommended Rate	Change	
				MOHLTC Rate to 2012 Recommended Rate	Recommended 2009 to 2012 Rate
13		145,000	150,500		3.79%
12		123,000	129,700		5.45%
11		106,500	112,800		5.92%
10		92,200	98,100		6.40%
9		80,000	85,300		6.62%
8	69,003[1] 66,568[2] 62,119[3]	69,100	75,500	9.4% 13.4% 21.3%	9.26%
7		62,900	67,400		7.15%
6	53,633	57,100	60,700	13.2%	6.30%
5	47,117[4] 43,911[5]	52,000	54,400	15.5% 23.9%	4.62%
4		47,250	48,800		3.28%
3	36,593	43,000	44,000	20.2%	2.33%
2	36,593	39,050	39,600	8.2%	1.41%
1		35,500	36,000		1.41%
			Simple Average	**15.6%**	**4.9%**

It should be noted the Dietitian, although valued in grade 8 was not funded to the Hay Group 2009 recommended rate at grade 8, but rather at grade 7. This has created a further lag in the market for this position.

Note: There are three distinct MOH rates for roles within Band 8, and two within Band 5, of the Recommended Primary Care Structure

1 – MOH Rate for Social Worker (MSW)
2 – MOH Rate for Chiropodist/Podiatrist, Occupational Therapist and Registered Nurse
3 – MOH Rate for Dietitian and Health Educator/Promoter
4 – MOH Rate for Registered Practical Nurse
5 – MOH Rate for Administrative Assistant

The full Hay report and the technical report are available. Please see last page of report for information on how to access these reports.

Recommendations

That Ontario's interprofessional primary care organizations (IPCOs) be provided sufficient funding so as to fully implement competitive salary rates and pension and benefit plan as recommended in the

Primary Care Compensation Plan by the start of the 2016-17 fiscal year, for all staff working in IPCOs (i.e. AHACs, CHCs, FHTs and NPLCs).

Implementation steps are recommended as follows:

- Step 1 (within the next year): Sufficient funding is provided to IPCOs to enable:
  - Increased benefits from 20 to 22.5% of salary to enable HOOPP.
  - All professions to be placed in the appropriate band.
  - The gap between current salary rates and the 2012 Hay-recommended salary rates to be reduced by 33%.
  - **TOTAL incremental investment = $57.93 million**

- Step 2 (2015-16): Sufficient funding is provided to IPCOs to enable:
  - A further 34% reduction in the gap between current salary rates and the 2012 Hay-recommended salary rates.
  - **TOTAL incremental investment = $32.45 million**

- Step 3 (2016-17): Sufficient funding is provided to IPCOs to enable:
  - The 2012 Hay-recommended salary rates to be fully implemented.
  - **TOTAL incremental investment = $31.49 million**

TOTAL incremental investment per year UPON FULL IMPLEMENTATION: $121.87 million.

Breakdown of investment requirements is provided on next page.

Full Reports are available by contacting Corinne Christie (corinne@aohc.org)

- *Final Report- Developing a Provincial Compensation Structure for Primary Care Organizations – 2012 Report*
- *Technical Report - Developing a Provincial Compensation Structure for Primary Care Organizations – 2012 Report*
- *Pay Equity Guidelines for Primary Care Organizations*
- *Detailed calculation of funding requirements*

Investment plan to fund interprofessional primary care organizations to fully implement
The Hay 2012 salary recommendations by 2016-17

		Step 1			Step 2	Step 3	
	Total CURRENT payroll (total FTEs x Max. Ministry scale plus salaried physicians)	**Increased benefits from 20 to 22.5% of salary to enable HOOPP**	**All professions to be placed in the appropriate band (i.e. RD, Health Promoter + NP)**	**Close salary gap by 33%**	**Close salary gap by next 34%**	**Close salary gap by final 33% to reach Hay 2012 recommendations**	**Total increase over 3 years**
CHCs + AHACs	$ 258,389,836	$ 6,459,746	$ 5,902,705	$ 11,877,202	$ 12,237,117	$ 11,877,202	$ 48,353,972
FHTs	$ 221,252,025	$ 5,531,301	$ 6,238,550	$ 17,103,833	$ 17,622,131	$ 17,103,833	$ 63,599,646
NPLCs	$ 18,377,344	$ 459,434	$ 1,502,127	$ 1,743,905	$ 1,796,751	$ 1,743,905	$ 7,246,121
Total increment for salaries	n/a	n/a	$ 13,643,381	$ 30,724,940	$ 31,655,999	$ 30,724,940	
Total increment for benefits		$ 12,450,480	$ 341,085	$ 768,123	$ 791,400	$ 768,123	
Total increment		$ 12,450,480	$ 13,984,466	$ 31,493,063	$ 32,447,399	$ 31,493,063	$ 121,868,471
Total Payroll (Salaries + benefits)	$ 498,019,206	$ 510,469,686	$ 524,454,151	$ 555,947,215	$ 588,394,613	$ 619,887,676	
Total funding increase required each year		$57,928,009			$ 32,447,399	$ 31,493,063	$ 121,868,471