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**HIDDEN INFLUENCE**

# 'Devastating to watch': Private long-term-care homes have seen some of Ontario's worst death rates – but Doug Ford's new funding set them up for decades of profits

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Ursula Drehlich moved into the Community Nursing Home in Pickering, Ont., in 2013. For two years, her experience there was wonderful, said her daughter, Sylvia Lyon. It was a family-run home with experienced staff. They knew the residents. They knew her mom. And that made all the difference. But in 2015, the family that owned the home sold it to an investment company called Southbridge Capital. The new owners renamed the home Orchard Villa. And soon, Lyon said, things began to change.

Southbridge was launched with the explicit goal of scooping up older homes, saving money on operations and eventually getting a government contract to renovate or rebuild the properties. By 2017, the company had deals in place to buy more than 5,000 beds in Ontario, enough to make it the third-largest nursing home company in all of Canada.

But the core investment plan was coming along slowly. Southbridge was always clear with investors that the real money, and the real purpose of the company, wasn't to operate older B- and C-class, homes. It was to get contracts to rebuild them into lucrative A-class facilities. And to do that, the company needed the province to commit money — a lot of it — and soon.

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In the meantime, though, Southbridge still had to run the homes it had. And in Orchard Villa, changes were soon visible after the takeover. "I started to notice things like incredible numbers of staff changes," Lyon said. "You never knew on the bulletin board who was going to be the new manager for that week or that month." There were fewer permanent nurses and personal-support workers and more temporary staff, Lyon said. "And if I found it bewildering, I can only imagine how bewildering it would have been for some of the residents," she added.

Southbridge was part of a larger change in the Ontario long-term-care industry. Over the past decade, more and more investment partnerships backed by private equity capital have entered the space with the goal of cashing in on the province's aging population and crumbling long-term-care infrastructure. (Southbridge has a long-term partnership with Yorkville Asset Management, a boutique investment firm that only accepts millionaires as clients.)

In theory, the pandemic should have interfered with those plans. In practice, the opposite has happened. Investment-backed long-term-care giants in Ontario have overseen some of the worst death rates in the province from COVID-19. They've also been able, with the help of a cavalcade of [well-connected lobbyists](#), to secure almost every one of their business goals, from both before and during the pandemic.

When occupancy in many homes began to drop last spring – largely because residents were dying and no replacements were coming in – the government guaranteed that each home would be fully funded, no matter how few beds were filled, until next fall.

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When bereft family members began talking about class-action lawsuits, the government passed a bill to retroactively indemnify homes against anything but the most deliberate malpractice.

And when critics began begging Premier Doug Ford to reform the long-term-care system, his government went the opposite way, largely locking in the bones of the existing regime for a generation to come.

"There's so much happening under the cover of COVID. And it's happening so quickly," said Pat Armstrong, a professor at York University and an expert on Ontario's long-term-care system. "What is the huge rush?"

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As part of a series on how businesses have swayed the decisions made by the Ford government during the COVID-19 crisis, the Star created a database of every active lobbying registration in Ontario in March 2021, a year into the pandemic. The results revealed a clear pattern. Among the lobbyists with the most registered clients, an overwhelming majority had open ties to the premier, his party or both. Some worked on conservative campaigns or for conservative ministers. Many were long-time friends and allies of Ford.

But those numbers only tell half the story. It's not just about who lobbied. It's about the policies they pushed for and the success they've had. [A Star analysis of the lobbying data](#), as well as interviews with lobbyists, political insiders and industry experts, shows that lobbyists were able to deliver for their clients again and again during the pandemic, including those in long-term care.

As a result of that lobbying, critics charge, long-term-care companies have largely been able to dodge responsibility for the death and suffering that took place in their homes. They've also been able, some industry analysts believe, to set themselves up – with enthusiastic government support – for decades of future profits thanks to generous new long-term-care bed allocations.

The office of Ontario's minister of long-term care did not reply to questions about lobbying during the pandemic for this story. In a statement, Macey Aramburo, a spokesperson for the ministry, said the allocations went to projects that best met provincial criteria, including financial viability, cultural needs and location.

Aramburo added that an allocation does not guarantee a licence. (That involves a separate evaluation process.) She also pointed out that almost two thirds of the new beds and more than a third of the upgraded beds have been allocated to municipal or non-profit

homes.

"At this unprecedented time, it is crucial that we continue to ensure those who are on the wait list for long-term care receive that care as soon as possible," Aramburo wrote. "We are grateful for the Long-Term Care Commission's recommendations and will continue to review the final recommendations carefully while providing regular updates on their progress to the public."

But all of that is cold comfort to some critics. "If there was anything that we thought would happen from this, from the spotlight on long-term care, from the pressure on government, from the horrific outcomes, it was that they would actually, finally get the care levels up to something safe, and hold the homes accountable for their behaviour, for how they operate and the priorities that they choose," said Natalie Mehra, the executive director of the Ontario Health Coalition. "And instead, the opposite has happened."

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When COVID-19 first swept through Ontario, Lyon was worried about her mother, but she felt like Orchard Villa was the right place for her. Drehlich had a private room. She was in a wheelchair and she couldn't, by that point, push herself around. "She couldn't get in or out," Lyon said. "I felt quite safe."

Still, by early April, it was getting harder for Lyon to find out what was happening in her mother's home. Visitors had been banned on St. Patrick's Day. And while there were some staff members she knew and trusted, they weren't always easy to reach. One day in mid-April, Lyon got a call from a young woman working for the home. "She got quite snippy with me," Lyon said. "It was 'Look, Sylvia, I'm just here to tell you about the fact that your mum tested positive.'"

Two days later, Drehlich was dead. She was 81 years old. In the last years of her life, her hands had largely stopped working. She had trouble with her balance and with her hearing, but she still lived a vibrant life. She liked to bake cookies. "They were they lumpiest, ugliest cookies that you ever saw," Lyon said. But they tasted great.

Drelich was one of 71 Orchard Villa residents to die of COVID-19 in the first wave. The home she was in was so overwhelmed by the pandemic that members of the Canadian military were [called in to help](#). "The only way my mom could have gotten that disease was that somebody brought it in," Lyon said. "They obviously didn't take enough care. They didn't have enough personnel."

The first wave of COVID-19 killed almost 2,000 long-term-care residents in Ontario. When all is said and done, it will likely stand as one of the worst medical tragedies in provincial history. But even as that wave was receding, the corporate long-term-care industry was already plotting a new way forward.

Starting last spring, investment-backed long-term-care homes began telling the province that the best way to prevent another tragedy like COVID was to give them what they wanted before COVID: more money and more generous contracts to redevelop old homes, build new ones and operate all of them for another 25-30 years.

To make that case, they hired a huge array of lobbyists with close ties to the Ford government. Southbridge alone brought in three from Earncliffe Strategy Group, including Alanna Clark, who joined the firm directly from Caroline Mulroney's office, Rob Leone, a former PC MPP, and Stella Ambler, who is running for a PC nomination in the next election. (Neither Leone nor Clark responded to request for comment. Ambler replied only to say she left Earncliffe, and lobbying, late last year.)

Arch Capital Corporation, a private equity outfit that has been scooping up long-term-care homes in Ontario for the past four years, hired Carly Luis, a long-time PC staffer, (along with John Duffy, an influential Liberal). "Ontario needs more high-quality long-term care space for seniors, and as investors we are helping to fill that need," Arch's president, Michael Missaghie, wrote in an email. "We're proud of the excellent, resident-centred care we provide through our long-term-care homes."

After Luis left to become Health Minister Christine Elliott's director of communications, Arch replaced her, in April 2021, with Kailey Vokes, Doug Ford's former director of policy for major projects.

(Under provincial rules, Vokes is barred from directly lobbying Ford or his staff until April 2022, though she is free to lobby other parts of the government. "Our firm has a policy that we do not speak about the affairs of our clients," Vokes wrote in an email. "While I remain a supporter of the government, I do not have a role on the campaign team.")

There are more. Omni Health Care, which is owned by private equity heavyweights Hillcore Group, retained, among others, Fraser Macdonald, who played a [crucial role](#) in Rob Ford's mayoral campaign in 2010. Caressant Care hired Patrick Lavelle-Tuns, Ford's deputy campaign manager in the 2018 leadership run. Amir Remtulla, who is close to both Ford and his chief adviser, is still lobbying for [Revera](#), one of Canada's largest long-term-care operators. Melissa Lantsman, who ran Ford's war room in 2018, lobbied for Extendicare.

(Laura Gallant, a spokeswoman for Extendicare, said the company did not lobby on the indemnity issue and that all of Extendicare's conversations with government about bed allocations and licences were conducted by Extendicare staff.)

Even the Ontario Long-Term Care Association (OLTCA) got in the act, hiring Luis, and later, a team of conservative lobbyists from Crestview Strategy, including Andrew Brander, a former Ford government staffer, and Ginny Movat, a longtime federal and provincial conservative activist, and occasional columnist at the National Post.

Lobbying has been fierce in the non-profit sector, too. The Mon Sheong Foundation, a Chinese cultural charity, was allocated the right to build almost 800 beds in March. A month earlier, the organization hired Michael Diamond, who led Doug Ford's leadership campaign, to lobby on its behalf.

But most of the for-profit companies had similar goals. They wanted the government to hike redevelopment funding to make it easier, and more lucrative, to rebuild the aging homes that were worst hit by the pandemic. They also wanted the government to allocate new beds, fast, so they could lock in new operating contracts before many of the existing deals expired in 2025.

And what the government did, beginning last summer, before the deadly second wave even began, was say yes, to basically all of it. "They significantly sweetened the pot," said Dr. Samir Sinha, director of geriatrics at Mount Sinai University. They offered upfront funding, "which was far more generous than what they'd ever given before," Sinha said. They also dolled out new beds at an unprecedented rate. "People flooded in all these applications, boom, boom, boom, to get in on this," Sinha said. The homes "were being given more money and more incentives than ever before to get in this space."

No one denies that Ontario needs to upgrade older long-term-care beds and build thousands of new ones. "There are already nearly 40,000 seniors on the wait lists for long-term care, and the numbers continue to grow," Donna Duncan, the CEO of the OLTCA, wrote in an email. "We cannot stress enough the importance of coming together to focus on getting older homes rebuilt now, and to rebuild and expand the long-term-care workforce."

The issue, to critics, is that the Ford government rushed into their plan, at the urging of lobbyists, before even learning what went wrong in the first wave of the pandemic, let alone the second. In the process, they locked in a system many see as being structurally responsible for at least some of the carnage in long-term care. They also planned and executed their long-term-care strategy – one that was in full alignment with the for-profit long-term-care lobby – before their own long-term-care commission had a chance to weigh in.

"If you're going to set up a commission to investigate, to me, then you should let them investigate," said Armstrong. "It's not like six months would have made a huge difference."

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After her mother died, Sylvia Lyon joined a class-action lawsuit against Southbridge. To her, the calibre of care her mother received in the home had fallen even before the pandemic. She sees a direct tie between that deterioration and the devastation that occurred once COVID-19 arrived. "It's the preparedness that really upsets me," she said. "Why wasn't Southbridge much better prepared?"

A Southbridge official said in an email that staffing was a challenge at Orchard Villa during the pandemic, as it was at many homes. The company is now directly managing Orchard Villa and is in the process of redeveloping the facility, Candace Chartier, the company's chief seniors' advocate wrote, adding that "the new home will be built in accordance with the standards set out in the Ontario government's Long-Term Care Home Design Manual." (Jessica Trepanier, a former senior staffer in the Ford government now working in communications sent that statement to the Star.)

Long-term-care beds in Ontario are governed by a Byzantine system of regulations. You need a licence to operate an existing bed, but you also need an allocation and a development agreement to build a new or upgraded one. Over the past nine months, the government has handed out those allocations at an unprecedented pace, with many, but not all, of them going to for-profit companies, including Southbridge, which was granted the right to redevelop and expand Orchard Villa and other homes.

To Lyon's lawyer, Gary Will, that's an outrage. "It's just unconscionable that they're making these decisions," he said. "They're rewarding bad conduct." And in Will's mind, at least, lobbying has played significant role in all of it. "The ties between the long-term-care lobby and the government are so close," he said. "There's an obvious conflict of interest."

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The issue of long-term care in Ontario is incredibly emotional and [more complicated](#) than it's often portrayed. For industry advocates like Donna Duncan, the Ford government's decisions during the pandemic not only made sense, they were necessary just to keep the system functioning.

Without indemnity, she argues, most homes would have lost their insurance. Without full funding, they couldn't have kept up basic services. And without new beds for for-profit homes, the government would never come close to meeting its expansion goals.

"OLTCA relies on data to inform our advocacy and the data clearly demonstrate that ownership is not a root cause," Duncan wrote in her statement. "(The h)omes with the most tragic loss of lives were older homes with three- and four-bed rooms located in



geographic 'hot spots' of community spread.”

Many of the individual companies, meanwhile, say they have been advocating to have the oldest homes, which saw the highest death rates, refurbished or rebuilt for years. “Over the past 10 years, Extendicare submitted 66 applications, including numerous re-submissions, to multiple governments to build 19 new homes in Ontario, in an effort to remove every older home from our network,” Gallant wrote.

“Ontario has now committed to building 30,000 new long-term care beds to address decades of inaction. We're heartened to see such a significant response, but building this many beds in a short period of time is a monumental challenge that will take all parts of the sector working together to fix.”

That may be true. But the academic data on the different sectors is also clear: on a host of measures related to resident health and happiness, for-profit homes tend to have marginally, and sometimes significantly worse outcomes than non-profit and municipally run homes. What's more, a small but growing body of scholarship in the United States suggests homes that are owned by private equity firms — as more and more homes are in Ontario — do much worse when it comes short-term resident mortality.

For-profit status, meanwhile, has been “undeniably associated with worse outcomes throughout Ontario's COVID-19 pandemic,” according to [an analysis](#) by the Star's Ed Tubb, Kenyon Wallace and Brendan Kennedy.

“There is a broad — like decades and decades — line of inquiry into for-profit homes compared to non-profit homes across a number of outcomes. And it consistently shows that for-profit homes tend to deliver inferior care,” Dr. Nathan Stall, a geriatrician and epidemiologist at Sinai Health in Toronto, [told the Star in January](#).

Still, many in the corporate long-term-care industry believe they've been unfairly scapegoated during the pandemic. Ask them off the record, and sometimes even on, and they'll tell you they're taking the blame for decades of underfunding, and that the worst performing homes, like Orchard Villa, are not representative of the industry as a whole.

“Throughout the entire pandemic, Sienna has taken concrete steps to protect residents and team members from this terrible virus as well as implemented long-term solutions to help further protect our homes as COVID-19 evolves,” Nadia Daniell-Colarossi, a spokeswoman for Sienna Senior Living, one of Ontario's largest LTC companies, wrote in an email.



But if that argument hasn't been well heard in public — and in fairness, it probably hasn't — it certainly has in government. The province's long-term-care plan, rolled out last summer, could have been pulled from the pitch deck of a long-term-care company drumming up funds. “Every public policy decision that has been made (during the pandemic) accords with the for-profits interests,” Mehra said. “There's not one that crosses their interests.”

What's disturbing for Sinha is that nothing in the second wave, and none of the findings of the long-term-care commission, appear to have swayed the Ford government's opinion, on any of it. “All of this stuff was set in motion last year so that, frankly, private

developers would know that (they) can still operate in this space without worrying about significant liability issues," he said. "They (the government) feel their current approach is adequate. And therefore, there is really no issue in continuing to award contracts to any provider, as long as they're building brand-new facilities or improved facilities."

Since last summer, Southbridge has been allocated hundreds of new and upgraded beds across the province. But the company was no outlier. Almost to a tee, the for-profit long-term-care homes that lobbied for more beds got more beds, including Arch, Extendicare, and Omni, no matter how their homes performed in the pandemic. (And not all of them performed poorly.)

The Tendercare Living Centre in Scarborough, where 81 residents died in the second wave, was allocated two new and 254 upgraded spaces. "The government has been pouring money into a broken system for so many years," said Reed Zhao, whose grandmother died after contracting COVID-19 at the home. "What we urgently need is accountability."

Roxanne Adams, Tendercare's executive director, said the outbreak in the home, which began in December 2020, was part of a much larger disaster unfolding in the community at the time. "The regional health system was overrun," she wrote in an email, "and the home could not access the support it needed ... including additional staff."

But Zhao, who has joined a lawsuit against Tendercare, still wants to see someone held responsible for his grandmother's death. "So far there is no penalty, only more money," he said. "I don't see any accountability happening."

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One day in early July, Doug Ford appeared at a press conference in North Bay. He stood at a slightly titled podium, an empty lot patterned in patchy green shrubs visible behind him. Ford was there that day to highlight a plan to expand and redevelop a nursing home in the city owned by Sienna, an expansion that was first approved and announced by the Wynne government in 2018.

Sienna, a publicly traded, for-profit corporation, saw [some of the province's highest rates](#) of COVID-19 infections and deaths during Ontario's first wave (though it has yet to experience a single case at its North Bay facility.)

In the spring of 2020, as the virus raged out of control and [residents suffered](#), the military was called in to help manage two other Sienna properties, in Scarborough and Woodbridge. "These homes, the ones specifically that the Canadian Armed Forces are in, they've failed," Ford told reporters at the time, [according to BNN Bloomberg](#). "I would expect as a shareholder to hold the CEO, the chair, accountable."

But a year later, Ford's message had changed. "We're going to build the most beautiful long-term-care home this town has ever seen," Ford said, [according to the CBC](#).

Until days before that announcement, Brayden Akers, a former top staffer in the Ford government and now a senior consultant at Navigator Ltd., was registered as a lobbyist for Sienna. He wasn't involved in the push for the North Bay expansion. It was first announced before he joined his current firm. But for Mehra at least, the larger point still holds.

"There is very little difference between the top echelons of the (PC) party and the for-profit industry," she said. "The connections are so numerous."

For Mehra, the real tragedy is the system itself. Despite all the deaths and suffering, it isn't going to change in Ontario, not substantially. It may be larger and slightly better funded after the pandemic, but the government decided last summer, as the pandemic raged and the lobbying began, that it won't be radically different, in structure, ownership or philosophy.

"It's been devastating to watch, honestly," Mehra said. She paused. "Sorry, now I'm going to cry." And she began to cry.

**Correction — July 15, 2021:** *A story first published online in the Toronto Star on July 15 incorrectly attributed a statement to Jessica Trepanier, a communications consultant working on behalf of Southbridge Care Homes. While Trepanier sent the statement to the Star it should instead have been attributed to Candace Chartier, Southbridge's chief seniors' advocate and Strategic Partnerships Officer.*



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