

**In the Matter of an Adjudication Concerning
Market Supplemented Wage Rates
for the following classifications**

- Perfusionists
- Physical Therapists

Between:

Health Sciences Association of Saskatchewan

-and-

Saskatchewan Association of Health Organizations

Before: Beth Bilson, Adjudicator

**Appearances: For HSAS: Kevin Glass
Peggy Forsberg (Physical Therapists)**

**For SAHO: Ian Billett
Garth Dobson**

Date of Hearing: August 19, 2010

Decision of Adjudicator

The Health Sciences Association of Saskatchewan (HSAS) and the Saskatchewan Association of Health Organizations (SAHO) are parties to the collective agreement which governs the terms and conditions of employees of a number of classifications of health care employees. Appended to the collective agreement whose term began on April 1, 2007, are two Letters of Understanding (LOUs) outlining a process for considering and establishing market supplements for these classifications. My authority and function as an adjudicator is set out in those Letters of Understanding.

As provided for under the LOUs concerning this process, HSAS challenged the finding of a Market Supplement Review Committee (MSRC) in March, 2009, that there was no justification for an increase in the market supplement for the Physical therapist classification. In a decision dated December 4, 2009, I reversed that finding and held that there should be an increase in the market supplement for this classification.

As they were unable to agree, the parties have referred to me the question of the amount by which the market supplement should be increased, and that is the subject of this decision.

Mr. Glass argued that there are still significant competitive pressures in this classification, and that the changes to the market supplemented wage rates proposed by HSAS, which represent an increase of approximately 5%, are necessary to ensure that consideration of recruitment and retention of Physical Therapists can be addressed.

He noted that the qualifications for recruitment to this classification have recently been upgraded to require a Master's degree, and that health care jurisdictions across the country, as well as private employers, are competing for a limited number of graduates who have achieved that level of certification. He also noted that the cost of living, one of the traditional components of wage comparisons in western Canada, can no longer be assumed to be lower in Saskatchewan than in other western provinces.

The parties have been bargaining towards a new collective agreement, and Mr. Glass acknowledged that this will likely result in an economic increase to the wages of Physical Therapists along with the other classifications represented by HSAS. He urged me, however, to focus separately on the market supplement question at issue here, as the market supplements serve a purpose different than the general amelioration of the wage situation for health care employees; they are meant to address recruitment and retention issues specific to particular classifications, and the overall bargaining process may not be adequate to deal with those issues.

Mr. Billett produced some new figures to show that the rates of vacancy and turnover have improved somewhat since the MSRC figure and my earlier decision in 2009. He indicated that the health regions were somewhat apprehensive about the possible implications of the change in qualifications for Physical therapist positions. In consequence, they took specific measures with respect to recruitment in this classification, and those seem to have been having some effect.

He conceded that the private clinics – one of the competitors for Physical Therapists – often have higher wage rates, but they often do not have the same range of benefits as those offered by public sector employers, and they do not seem to have an adverse impact on the ability of public sector employers to hire into this classification.

Mr. Billett acknowledged that the increase in the market supplemented wage rate in this classification in 2005, which was around 4.5%, seemed to have some effect in moderating the vacancy and turnover rates for Physical Therapists. He pointed out, however, that the proposal put forward by SAHO here would

place Physical Therapists at 98% of the western Canadian average rate at the top step and at more than 100% of that average for the starting rate. He conceded that comparison is somewhat difficult because other provinces have different numbers of steps in their grids, and in some cases that may be seen by employees as an advantage.

I have pointed out many times that setting market supplement rates falls somewhere short of being a science. Market supplements are, as the name suggests, intended to be responsive to market conditions, and those are continually in flux. The figures provided to the MSRC in 2009, on which my earlier decision was based, are not the same as the figures provided by the parties at this hearing. There was some disagreement about those figures, in fact, and that in itself demonstrates some of the elusiveness of a firm body of data for assessing the market. The wage rates for health care professionals in other jurisdictions is another factor that changes in ways that make it difficult to make direct comparisons. The process of collective bargaining in Saskatchewan constitutes another source of change that may have an impact on how market forces influence recruitment and retention for the classifications represented by HSAS.

Notwithstanding these challenges, the parties are committed to this process because they believe – and there is support for this proposition in their experience – that market supplements offer an opportunity to address particular difficulties with recruitment and retention for groups of highly-qualified employees whose services are in demand in the health care system across the country and beyond.

Having considered the oral and written submissions of the parties, and examined the information provided, I have decided to accept the proposal of SAHO. As Mr. Glass argued, the process of awarding market supplements is intended to be separate from bargaining new wage rates overall, and is based on different conceptual premises. On the other hand, the current market supplemented wage rate will be incorporated into the wage rate for this classification, and they will presumably receive an economic increase as well, which cannot help but ameliorate some of the concerns mentioned by Mr. Glass. The information presented by the parties suggests that the vacancy and turnover rates have become somewhat less alarming since the report of the MSRC in 2009, even taking into account some softness in the information currently available. The rate is open to review at regular intervals, and should there be further causes for concern with respect to this classification, those issues can be considered in the context of that review.

I therefore accept the new grid proposed by SAHO as the basis for the new market supplement.

DATED at Saskatoon, the 26th day of September, 2010.

Beth Bilson