

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

- Physical Therapist
- Master's Psychologist
- Respiratory Therapist

Between:

Health Sciences Association of Saskatchewan

-and-

Saskatchewan Association of Health Organizations

Before: Beth Bilson, Adjudicator

Appearances:

For HSAS:	Kate Robinson
For SAHO:	Ian Billett Garth Dobson

Date of Hearing: October 31, 2013

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 employment of a number of classifications of employees in the health care sector. Appended to the collective agreement are two Letters of Understanding outlining a process for considering and implementing market supplemented wage rates for these classifications. My authority and function as an adjudicator is set out in those Letters of Understanding.

As I have noted in a number of these decisions, the terms of the Letters of Understanding make it clear that the market supplement program is limited in scope, and does not purport to address all of the staffing and budgetary issues that may create stresses on employers and employees in the health care sector. Letter of Understanding #12 begins with the following paragraph:

The SAHO Market Supplement Program is designed to address specific pay related skill shortages by use of a market supplement to attract and/or retain qualified Employees where workplace initiatives have been unsuccessful in addressing recruitment and retention challenges. A market supplement will be implemented only when it is necessary to enhance the ability of Employers to retain and/or recruit Employees with the required skills to deliver appropriate health services.

Letter of Understanding #13 specifies the criteria I may consider in deciding whether a market supplement is appropriate, or the amount of the market supplemented wage rate. These are limited to service delivery impacts; turnover rates; vacancy rate analysis; recruitment issue analysis; and salary market conditions.

I have also noted in the past that the environment in which determinations must be made about market supplements is not static. I understand my role to be to assess whether a market supplement, or a particular level of market supplement, may act as an inducement to employees to take or remain in positions in the Saskatchewan health care system. This will depend on current market conditions and trends; it will also depend on developments that are taking place in the health care system itself, such as collective bargaining or changes in policy. Since the determination of market supplemented wage rates occurs according to a series of steps set out in the Letters of Understanding between the parties, there may in some cases be a lag between the request for consideration of a market supplement and the ultimate determination at adjudication, and this must also be taken into account.

In this case, I have been asked to consider what size of market supplement would be appropriate in the classifications of Physical Therapist, Master's Psychologist and Respiratory Therapist. I will deal with each of these classifications in turn.

Physical Therapist

On September 26, 2012, the Market Supplement Review Committee (MSRC) issued its report recommending that an additional market supplement should be added to the wage in this classification. Market supplements had previously been added in this classification in 2002, 2006 and 2010. In addition, a market adjustment was made to the wage as a result of collective bargaining that concluded in July, 2011.

The information included in the MSRC report indicated that of the eleven health regions providing data concerning service delivery issues, three regions reported moderate service delivery issues and seven reported significant issues. Ms. Robinson submitted a memorandum from the Regina Qu'Appelle Health Region dated June 28, 2013, and another from the Five Hills Health Region dated July 24, 2013; these documents described reductions in services during the summer of 2013.

The MSRC report indicated that there were 25 permanent full-time vacancies in the reporting health regions, an increase from the 15 reported in 2011. This raised the full-time vacancy rate from 7.8% in 2001 to 12.9% in 2012. It should be noted that the vacancy rate declined from 9.4% in 2009 to 7.8% in 2011; a market supplement was added to the wage in 2010, and Mr. Billett suggested in his submission that the decline in the vacancy rate could be tied to this.

The report indicated that the turnover rates in this classification were relatively similar in 2010, 2011 and 2012, though Ms. Robinson indicated that there had been additional turnover since September of 2012.

The section of the report concerning recruitment issues listed a number of strategies adopted by the health regions to assist with recruitment. Ms. Robinson noted that the report stated that 32 of 39 graduates of the physical therapy program at the University of Saskatchewan had remained in the province, but only 14 of them chose positions in the public sector.

Mr. Billett said that the Regina Qu'Appelle Health Region had had some success in recent recruiting, and had hired a total of 10 Physical Therapists (two of whom came from the Saskatoon Health Region) to begin working at the end of the summer in 2013, which had reduced the number of vacancies considerably. He also said that the Saskatoon Health Region had reported that its vacancy rate was not wage-related, but had to do with the number of temporary positions the region was trying to fill.

With respect to salary comparisons, the MSRC report contained salary information from the four western provinces, which has generally been used as the basis of comparison. Ms. Robinson's submissions included an update of this information, showing that the average for the four western provinces is \$37.674 per hour at the lowest step and \$47.984 at the highest. Ms. Robinson also presented some information concerning the wages and benefits that are available in private physiotherapy clinics, though Mr. Billett said SAHO had some anecdotal reports that employees in private clinics did not think the work-life balance in the private sector was competitive with the health regions.

Ms. Robinson proposed on behalf of HSAS that the increase for this classification be approximately 4.3%. The SAHO proposal for this classification was that the basic rate should be \$39.83 per hour, an increase of approximately 2.5%. Ms. Robinson said that the increase proposed by HSAS would bring the wage to approximately 100% of the western Canadian average, while Mr. Billett said the increase put forward by SAHO would bring the wage to 102% of the western Canadian average. There is clearly a discrepancy in this calculation, which one can assume is attributable to the fact that each party was using a different baseline for the calculation.

As I suggested earlier, it is always somewhat difficult to disentangle the questions relevant to the determination of the market supplement from other closely related issues. In this case, the material indicates that the budgetary decisions concerning such things as the number of positions that will be staffed and the characterization of some positions as temporary have had an impact on service and

workloads in the Physical Therapist classification. Though these decisions may be a source of stress and dissatisfaction for these employees, they are not open to challenge through the market supplement program.

It is possible to discern in the material that was made available to me that the vacancy rate in this classification has been quite volatile over time, and that the implementation of additional market supplements from time to time has had an ameliorating effect on this picture. That is, the market supplement does seem to have had an effect on the ability of employers to attract and retain Physical Therapists. Though there have apparently been some recent hirings into vacant positions, this does not necessarily guarantee stability in a classification that has seen vacancy rates as high as 24% and as low as 5.2% since 2002.

In this context, I have concluded that the increase to the market supplement that has been proposed by HSAS should be accepted.

Master's Psychologist

Unlike psychologists with doctoral qualifications, the classification of Psychologist – Master's Level has not to this point had a market supplemented wage rate. The report of the MSRC dated June 11, 2012 recommended that a market supplement should be negotiated, and this issue was ultimately referred by HSAS to adjudication.

At the time of the MSRC report, two regions were reporting moderate service delivery impacts and one reported significant impact. Ms. Robinson noted the sentence in the report that indicated that some health regions have chosen to repost these positions to be filled by employees in other classifications.

The MSRC report showed a 21.4% vacancy rate in full-time positions and 22.2% in part-time positions, though caution must of course be exercised in interpreting these figures in a classification with 50 positions as compared to the approximately 300 in the Physical Therapist classification. Mr. Billett reported that a wage adjustment for this classification of \$4.23 per hour had been introduced as a result of collective bargaining in 2011 and that this had had the effect of reducing the number of vacancies.

The report showed turnover rates of 3 in 2010, 10 in 2011 and 2 in 2010. Ms. Robinson said that her understanding was that most of the positions that had been left by employees in 2011 were still vacant.

The MSRC report alluded to recruitment strategies adopted by the health regions, but Ms. Robinson questioned whether these had been effective. Mr. Billett pointed out that a number of the regions where there were vacant positions were outside Regina and Saskatoon, and suggested that difficulties in recruiting in rural areas are not always related to wage levels.

Ms. Robinson referred me to a table showing current data concerning wage levels in the four western provinces. She also referred to information from HSAS members suggesting that psychologists in private practice charge \$80 to \$140 per hour, which is considerably higher than the wage levels shown in the table, even taking into account that private psychologists have overhead costs not incurred in the public sector. Mr. Billett said that his understanding was that these hourly rates were those charged by psychologists with doctoral degrees, and that there were restrictions on the scope of practice for Master's level psychologists in the private sector.

Ms. Robinson proposed that an increase of 4.2% be added to the market supplemented wage rate for this classification, which would be 100% of the western Canadian average. Mr. Billett indicated that SAHO was proposing an increase to \$46.992 per hour (maximum rate), an increase of approximately 2%. This would be 100.1% of the western Canadian average at that step.

It seems apparent from the information put before me that the significant wage adjustment in this classification of \$4.23 per hour in 2011 has had a beneficial effect in terms of recruitment and retention. The addition of a market supplement, as recommended by the MSRC, might be expected to cement this trend. In light of the recent boost in the wage rate, it does not seem necessary to make a dramatic change at this point.

I have concluded that the wage grid proposed by SAHO for the Master's Psychologist classification should be adopted.

Respiratory Therapist

An MSRC report dated May 27, 2012 recommended that there be no increase to the market supplemented wage rate for this classification. In January 2013, I ruled that the market supplement should be increased. I have now been asked to determine the amount of that increase.

According to the MSRC report, no health regions reported significant service delivery issues. Three reported moderate service delivery issues; two of these said their difficulties occurred in relation to hiring into casual positions. Ms. Robinson pointed out that for 2010 and 2011 no health regions had reported any service delivery issues in this classification.

There has been a considerable variation in the vacancy rates for this classification. Both Ms. Robinson and Mr. Billett pointed to an increase in the market supplement in 2008 as having the effect of lowering the vacancy rate, which had risen to 11.8% as of 2006, to 5.3% in 2009. As of the date of the MSRC report, the vacancy rate stood at 7.6% for full-time positions. Mr. Billett said that his current information is that both the Regina and Saskatoon regions have no vacancies. Indeed, the Saskatoon Health Region reported being able to attract former employees who had moved to Alberta.

Though the MSRC report indicated that there are some discrepancies in the turnover rates because different employers have provided data for successive reports, the rates they recorded were 10 for 2010, 6 for 2011 and 15 for 2012. Ms. Robinson suggested that this indicates that turnover is an increasing problem.

Ms. Robinson again produced a table showing updated information about wage levels in the four western provinces, noting that the first step of the wage grid in Alberta is only 2.8% lower than the top step in Saskatchewan. Mr. Billett noted that the wage adjustment made as a result of collective bargaining in 2011 had brought the wage levels at the top of the grid to 99.3% of the western Canadian average in 2012.

HSAS proposed that a 5% increase be made to the market supplement, which they calculated would bring Saskatchewan wage levels to 81% of those in Alberta. SAHO's proposal was to bring the maximum market supplemented wage rate to \$36.987 per hour, an increase of approximately 2%. They calculated that this would be 101.2% of the western Canadian average at that level.

As Ms. Robinson pointed out, it is perhaps unfortunate that there has been a delay of over a year between the original report of the MSRC and this final determination of the amount by which the market supplement should be increased for this classification. Both parties submitted information more current than that available to the MSRC, and this information demonstrates that the picture has changed in a number of respects.

According to SAHO's current information, the vacancy picture has improved recently, and this may at least in part be attributable to the wage adjustment that was made in 2011. Even at the time of the MSRC report, health regions were not reporting high levels of service delivery difficulties that could be traced to recruitment or retention problems for full-time positions.

In this light, the changes in the wage grid proposed by SAHO, which approximate to a 2% increase, seem to be reasonable, and I conclude that they should be adopted.

DATED at Saskatoon, Saskatchewan the 12th day of November, 2013.

Beth Bilson, Adjudicator