

April 9, 2018

Honourable Adrian Dix
Minister of Health
Parliament Buildings
Victoria, B.C. V8V 1X4

CC: Honourable Anne Kang
Parliamentary Secretary for Seniors

BC Health Coalition concerns re: the recent takeover of Anbang Insurance by the Chinese government regulator

Dear Honourable Minister Adrian Dix,

The BC Health Coalition wishes to express our concern over the recent takeover of Anbang Insurance, the China Insurance Regulatory Commission (CIRC). Anbang Insurance owns a controlling interest in Retirement Concepts, BC's largest retirement home chain, through Cedar Tree Investments.

We applaud the recent announcement that the BC government will launch a review of the sale of the retirement home operator, Retirements Concepts, to Anbang Insurance. We are writing to urge you to take a number of additional steps to protect seniors in BC. [1]

While we understand the federal government is responsible for the sale, the BC government also has a critical role in protecting seniors care from the possible negative impacts of this takeover.

In 2016, the BC Health Coalition strongly urged Honourable Minister Navdeep Bains to reject the proposed acquisition because it is not a net benefit to Canada and poses significant risk to the BC health care system and Canadian Medicare. Allowing a foreign private equity firm's takeover of seniors' care services and entrenching its high-risk profit-making model in Canada's health care system was --and is-- alarming and unprecedented.

The BC Health Coalition was instrumental in starting an online petition asking the federal government to reject the attempt by Anbang Insurance to purchase a majority share in B.C.'s Retirement Concepts senior care chain. The petition garnered over 24,000 signatories. [2]

However, the petition fell on deaf ears. The federal government and the previous BC government proceeded to approve the sale of Retirement Concepts to Anbang Insurance.

As you know, the sale has huge implications for seniors health care delivery in BC. Retirement Concepts' 20 sites includes 1,900 nursing home beds and 750 assisted living spaces. One of every 10 nursing home beds outside those provided directly by health authorities is now controlled by Anbang, a multinational corporation. Anbang/Retirement Concepts was contracted by the BC government and paid nearly \$100 million for services at 20 sites.

And now with the recent takeover of Anbang, officials from the CIRC, China's central bank and other key financial regulators and government bodies are making decisions that will impact a large segment of B.C.'s resident care homes.

While there is uncertainty about how the Chinese government regulator will reign in or dispose of Anbang's assets, the BC government can take proactive measures in order ensure seniors and care workers are protected.

The BC Health Coalition echoes the Hospital Employees' Union's recommendations to implement an action plan over the next 12 to 24 months in order to ensure continuity and quality of care. Recommendations are threefold: [3]

- Implement more frequent and comprehensive staffing and financial audits of Retirement Concepts facilities
- Implement a moratorium on contracting out/contract flipping in the broader residential care sector
- Investigate business case for purchasing Anbang's assets

Our request is that the quality of care provided is maintained and strengthened.

The BC Health Coalition's concerns are rooted in international solidarity with seniors and care workers in a global struggle against privatization of seniors care and health care. The turn towards market-based solutions and the privatization of seniors care (and the wider health care sector) isn't solely a Canadian phenomenon and is, at the root, a problem of global capital.

Neoliberalism as a doctrine became dominant in Canadian policy-making since the 1980's (along with the US, UK, China and other countries) and has resulted in an assault on essential public services such as schools, transportation, and health care.

One of the most catastrophic examples of how seniors' care was bought and sold to global private equity firms was the collapse of UK's largest seniors' care provider, Southern Cross. As a result, over 30,000 elders and vulnerable people were in jeopardy of losing proper care. [4]

In one prominent example, a case review of Orchid View, a Southern Cross care home in Coptthorne, West Sussex, found that the financial collapse of the company directly led to the deaths of five elderly residents due to "institutional abuse". The inquiry highlighted "a lack of respect for the dignity of residents, poor nutrition and hydration, mismanagement of medication and inadequate staff numbers." [5]

In the 1980s and 1990s, China's own turn to neoliberalism moved its state run system towards a market-based health care model. [6] Already, China is opening channels to allow foreign companies into hospital and medical device industries. Ironically, a 2017 article in the Canadian newspaper, Globe and Mail, highlights ways Canadian companies can profit off China's massive aging population and rapidly expanding seniors care market. [7]

While foreign private investment in BC's senior care system should certainly be subject to democratic controls and transparency, any private investment, including Canadian companies, should be held to the same standard. On principle, the commercialization and privatization of seniors care and health care—regardless of nationality—should be opposed.

Therefore, we urge the federal and BC governments to take an approach that rejects austerity measures in the face of global capitalism and to implement the recommendations by the Hospital Employees' Union to ensure seniors and care workers are protected.

Sources:

[1] <https://www.theglobeandmail.com/canada/british-columbia/article-bc-reviewing-sale-of-retirement-home-operator-to-anbang-insurance/>

[2] <https://actions.sumofus.org/a/trudeau-don-t-sell-out-seniors-health-care>

[3] <https://www.heu.org/news-media/news-releases/action-plan-needed-protect-seniors-care-chinese-regulator-takes-charge-bcs>

[4] <https://www.theguardian.com/business/2011/jun/01/rise-and-fall-of-southern-cross>

[5] <https://www.theguardian.com/society/2014/jun/09/financial-strategy-southern-cross-care-homes-blamed-deaths-old-people>

[6] Wang, Shaoguang. 2010. "China's Double Movement in Health Care."

[7] <https://www.theglobeandmail.com/report-on-business/rob-commentary/how-canadian-companies-can-win-with-chinese-seniors/article36148196/>