



June 1, 2011

Dr. Robert Halpenny
President and CEO
Interior Health Authority
220-1815 Kirschner Road
Kelowna, BC V1Y 4N7

Dear Dr. Halpenny:

Re: Audit of Hamlets at Penticton

On behalf of the Hospital Employees' Union, I am once again urging you to conduct a financial investigation into the operations of a health care facility funded by the Interior Health Authority. Specifically, this audit should examine the level of profit the operator is making on its operations.

Today, the operators of The Hamlets at Penticton told about 60 of our members that they would be laid off on August 31 and that their work would be contracted out.

The IHA provided H&H Total Care Services Inc. with more than \$8.2 million in fiscal year 2009/2010 to operate care facilities in Penticton and Kamloops – more than a 10 per cent increase over the previous year.

Yet despite increased financial support, this facility operator has chosen to target care staff wages for rollbacks either through contracting out or other means.

You are probably aware that this operator took a similar approach to extract wage concessions from staff at the Hamlets at Westsyde last year.

More recently, our union asked you to conduct an audit of Pine Grove Care Centre after Park Place Seniors Living took a similar action targeting staff wages.

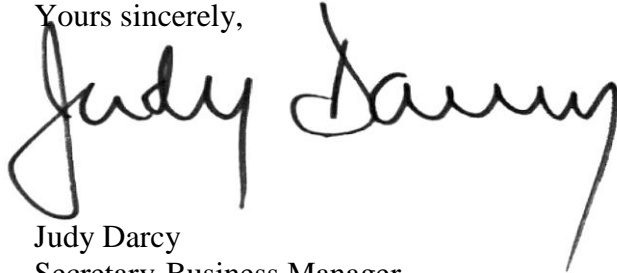
In fact, this practice seems endemic throughout the health authority affecting care and support staff at a number of IHA-funded facilities.

The practice is very disruptive to the care of facility residents as well as to the economic security of their care staff. And from the perspective of our members, it looks to be little more than an effort to increase profit margins.

Until the health authority takes steps to rein in these private facility operators, I expect that they will continue to threaten to fire workers in order to extract wage concessions and that they will do so despite the negative impact that it has on residents as well as care staff and their families.

So I urge the health authority to take action in this instance, and audit the profit margins of The Hamlets at Penticton.

Yours sincerely,

A handwritten signature in black ink that reads "Judy Darcy". The signature is written in a cursive, flowing style with a long, sweeping tail on the final letter.

Judy Darcy
Secretary-Business Manager